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# Current HISTORY

WITH THE HISTORIANS' CHRONICLE OF THE WORLD

MAY 1926

## Prohibition

*A Success:* WAYNE B. WHEELER

*A Failure:* Congressman J. P. HILL

## U. S. as Canada's Friend

SIR ROBERT FALCONER

## The Farmer's Revolt

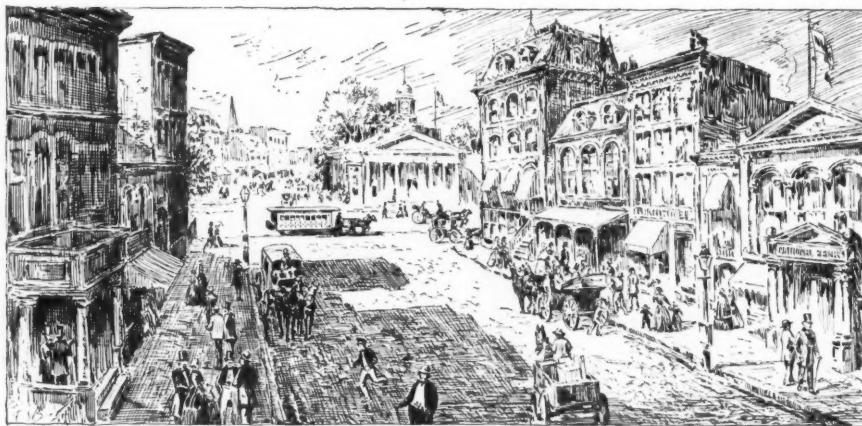
SENATOR ARTHUR CAPPER

## Naturalization Scandal

IMOGEN B. OAKLEY

## Post-War London

ROSE MACAULAY



## *The Telephone and Better Living*

PICTURES of pre-telephonic times seem quaint today. In the streets were horses and mud-splashed buggies, but no automobiles and no smooth pavements.

Fifty years ago homes were heated by stoves and lighted by gas or kerosene lamps. There was no domestic steam heating or electric lighting, nor were there electric motors in the home. Not only were there no telephones, but there were no phonographs, no radio and no motion pictures.

The telephone permitted the separation of business office from factory and made possible the effective co-ordination of widespread

activities by a centralized organization. It changed the business habits of the Nation.

The amazing growth of the country in the past fifty years could not have come had not science and invention supplied the farmer, manufacturer, business man and family with many new inventions, great and small, for saving time and labor. During this period of marvelous industrial progress, the telephone had its part. It has established its own usefulness and greatly accelerated the development of the industrial arts which have contributed so much to better living conditions and to the advancement of civilization.

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AMERICAN TELEPHONE AND TELEGRAPH COMPANY  
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IN ITS SEMI-CENTENNIAL YEAR THE BELL SYSTEM LOOKS FORWARD TO CONTINUED PROGRESS IN TELEPHONE COMMUNICATION

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# CURRENT HISTORY

INCLUDING THE HISTORIANS' CHRONICLE OF THE WORLD

Vol. XXIV.

MAY, 1926

Number 2

## Prohibition—Success or Failure?

*With the commencement on April 5, 1926, of hearings by a sub-committee of the Senate Judiciary Committee on bills embodying proposals to modify the Federal Prohibition law, the question whether that measure has succeeded in its purpose became more than ever a sharply defined national issue. Since so vital a matter requires fullest discussion, this magazine invited representative spokesmen of the two opposed points of view to state the case for their respective sides. Mr. Wheeler and Congressman J. P. Hill each wrote an article, later supplying each other with a copy for further comment or rebuttal, these additions appearing herewith.*

### A Success

By WAYNE B. WHEELER

General Counsel and Legislative Superintendent of the Anti-Saloon  
League of America

IS prohibition a failure? That depends on your viewpoint. The foes of this policy assail it because it has not entirely eliminated the evils of drink and because the law is violated. This was expected even by the drys. It is attacked as so drastic that it is impossible to secure enough medicinal liquor while it is charged with responsibility for flooding the nation with more liquors than were consumed under license. In the same breath the wet group declare the law a failure because it forbids 2.75 per cent. beer and yet permits non-intoxicating fruit juice or cider of a greater potency. Industrial alcohol restrictions are challenged as burdensomely drastic and yet so lax that liquor outlaws are plentifully supplied with this raw material. The opponents of prohibition prove too much. Their arguments practically cancel

each other. The same error occurs in the straw votes from which the drys abstained. The wets had a good time balloting with their thirst. There being nothing to prevent any wet casting as many ballots as he desired, through any number of newspapers within convenient reach, the wet majority assumed such great proportions, through multiplication of their votes, that a leading editorial writer commented on it "purely as a problem in accountancy" and observed "except on such subjects as the desirability of murder or arson, it is doubtful whether public opinion ever divides in the proportion of 97 to 3."

There are two sides to all laws. The man whose indulgence in appetite, lust or greed is checked by law does not look at the statute with the same favor as the man who puts the public welfare and loyalty to law first. The greater the efficiency

of enforcement of such a law the greater does its failure appear to the man who hungers after forbidden fruit. Others find it a failure for equally personal reasons.

It is a failure for the distiller, who no longer can sell 165,000,000 gallons of whisky every year.

It is a failure for the brewer, who has lost the profit from selling every year 1,885,000,000 gallons of beer, containing 83,000,000 gallons of pure alcohol.

It is a failure for the saloonkeepers and their bartenders, who no longer ring up the workingman's pay check on the cash register and send him home penniless; who daily tempted youth and debauched the weak while they made a lazy living from the vices of their fellow-men.

It is a failure for the loan shark, who preyed upon those pauperized by the saloon.

It is a failure for the turnkey, who lost his job when jails closed and were sold because the open saloon no longer inflated our crime ratio. There were seven such closed jails in Massachusetts alone. The Census Bureau just issued a report showing a drop of 37.7 per cent. in penal population in 1923 from 1910 in the nation, while drunkenness commitments dropped in the same period from 185.9 per 100,000 to 83.1.

It is a failure for the gunmen, like the Lakes and the Druggans, who, when Chicago had over 7,000 licensed saloons, murdered and robbed with impunity. When their headquarters were closed by prohibition they were captured and convicted under the Conspiracy act for violation of the dry laws and put in prison cells, although they had violated other laws without punishment.

It is a failure for the politician, who represented the brewers in public office and opposed every effort to rid the nation of a traffic characterized by the Supreme Court as "a source of crime and misery to society."

It is a failure for the brewers who grew rich by corrupting politics, who tried to subsidize the press, boycotted dry business men, and built fortunes on that which undermined the health and lessened the efficiency and ruined the character of others.

It is a failure for the "alibi" wet official, who finds fault with the law which he does not wish to enforce.

It is a failure for over 4,000,000 possible unreformed members of the old army of 25,000,000 drinkers.

It is a failure for 275 "drink cures" that once were filled with patients recovering from alcoholism. Less than a score of those survive today and most of the remainder have become hospitals or sanatoriums, with alcoholic cases as a side issue.

It is a failure for the delirium tremens wards in our hospitals, once crowded, now abandoned. Dr. George O'Hanlon, for sixteen years Medical Superintendent of Bellevue and Allied Hospitals of New York, has said that in three or four years an alcoholic patient will be practically unheard of. From 12,000 alcoholic patients per year, such cases in these hospitals have dropped to less than 4,000, the average case staying only three days instead of two weeks, indicating that they were not truly alcoholic cases.

It is a failure for the alcoholism death rate, which rarely fell below 5 per 100,000 under license, the minimum being 4.4. Under prohibition this death rate has averaged 2.3 per 100,000, and its maximum is 3.2.

It is a failure for disease. The State of Connecticut Board of Health declares that the State lost \$20,000,000 in human life from 1915 to 1919. The improved public health in the past dry years is estimated as worth \$1,989,600 in 1923 and \$5,268,100 in 1924. The improvement in the national health has been estimated as worth \$600,000,000 in added wage earnings and \$1,500,000,000 in the savings of losses to industry through sickness of workers.

Prohibition is *NOT* a failure but a success for most people. Thousands of wives and mothers now go through their homes with a song in their hearts instead of a sigh. An army of "old soaks" has reformed since the closing of the saloons.

#### WHY PROHIBITION IS A SUCCESS

It is a success for the men and women who have had years added to their spans of life by prohibition closing the death centre of licensed drink. Men today may expect to live eighteen years longer than

their grandfathers, who were handicapped by licensed liquor. The average death rate in the last five wet years, 1913 to 1917, was 13.92 per 1,000. The highest mortality under prohibition was 13.1 per 1,000 in 1920, the first dry year, while the annual average has dropped to 12.2, representing a saving of over a million lives that would have been sacrificed if the ratio of wet years had continued.

It is a success for the worker, who has a bigger pay check, which he can spend without paying toll to the corner bar. Labor has temples and banks today in place of dingy quarters and settles its disputes without drink-caused riots. Richard Boeckel, the labor economist, estimates that prohibition means a saving of a billion dollars a year to the wage earner.

It is a success for laundries, which have succeeded to the task abandoned by the drunkard's wife, who took in washing to support herself and her children.

It is a success for the manufacturer, who finds his output increased 15 to 30 per cent., his production costs lowered and his markets multiplied by the sobriety of his workers and of the nation.

It is a success for the retailer, who sells luxuries to men who could not afford the bare necessities of life while the liquor leech sapped their incomes.

It is a success for the banker, who watches savings accounts mount to five times the wet-year number; and for the insurance men, who sell over a billion dollars' worth of policies each month. Many of them are sold to men who would have been desperate risks, even if they could afford the first payment on a policy in the old days.

It is a success for the men who build and buy homes, which now constitute approximately 50 per cent. of our building operations. That is why real estate boards and realtors of the nation, led by C. N. Chadbourne of Minneapolis, the man who invented the name "realtor," are pledging themselves to observance of a law which has brought them unexpected and unparalleled business.

It is a success for building and loan associations, which now include some 8,000,000 members, compared with 3,500,000 in the last wet year.

It is a success for the manufacturer and for the automobile dealer, who join Henry Ford and R. H. Scott in declaring that prohibition and the automobile industry succeed or fail together.

It is a success for the drivers of over 20,000,000 automobiles, who know that the highways would be shambles of death if each crossroad had a licensed saloon inviting chauffeurs to drink.

It is a success for the social welfare worker, who can echo Commander Evangeline Booth's words that since prohibition they give more attention to the cradle and less to the grave. She says: "Prohibition changed many phases of our work, but as a matter of fact released us so far as the saloon harvest of wreckage was concerned, so that we could redouble our efforts on other problems."

It is a success to the purveyors of wholesome amusement, such as the movie theatre, which has become a billion dollar industry; the athletic field; the golf club; and the tourist agency, through which billions of dollars are expended since the nation put the beer Stein on the shelf. There is more wholesome "kick" in a clear brain and a healthy body than in a barrel of "booze."

It is a success for the milk producer, who sells over 13,000,000,000 gallons of milk each year now, while only 7,800,000,000 gallons were used in 1919.

It is a success for the hotel man, whose real prosperity, according to John McF. Howie, a leading hotel manager, did not begin until the Volstead act became effective. We have more hotels, better and cleaner hotels, since the bar was banished.

It has been a success for investments. One man in every five is a security holder today. Our railways are owned by 777,131 stockholders, while 2,000,000 people own railway securities. Since the American people ceased buying beer they began to buy bonds, until they own today most of the great utilities and manufacturing corporations of the nation.

It is a success for the church, which recorded a membership gain of 690,000 last year.

It has been a success for the schools and colleges of the nation, which today are besieged by more students than their buildings and equipment can care for.

It is succeeding in decreasing the consumption of liquor. Before prohibition, beer, whisky, gin and wine consumed by the people annually contained 167,000,000 gallons of pure alcohol. Even wet leaders have not claimed that 16,000,000 gallons of pure alcohol are contained in all the illicit beverages being drunk today. That means a cut of at least nine-tenths.

It is a success from the standpoint of the race. The rising generation is not drunken. One among our youth drinks for adventure or display today where scores drank habitually under license. Even the generations unborn will find this success of prohibition gives them a better birthright, with fewer hereditary taints than those generations which preceded them.

Prohibition proves its success by the testimony of the greatest physicians as to its effect on health; by the witness of men like Herbert Hoover, Judge Gary, Roger Babson and other business authorities to its effect on business and industry; by the evidence offered by Judge Gemmill of Chicago, which shows the crime decrease and the lessened drunkenness, with the recent supporting proofs offered by the United States Census Bureau; by the verdict of the Salvation Army and scores of welfare organizations testifying to a vanishing poverty which the Census Bureau confirms. A prohibition which is not being observed or

which is being violated by even a large percentage of the people would not have produced these things. Only a prohibition which the large majority obey could have been thus effective.

The law is violated, that is true. The lawless liquor traffic violated every law that tried to restrain it before one of us was born. That is why it is outlawed today. Other laws are being broken. Does any one advocate repealing them because they are violated? Who would counsel that, even in the case of the automobile traffic laws, which are broken more than any others? Laws are enacted to combat social evils. No one believes that laws will blot out these evils. We reduce them to a minimum by prohibiting them, just as we increase them to a maximum by licensing them.

Prohibition has not succeeded as well as its friends intend it shall, but it has succeeded far better than its enemies wish it did. A dead-letter law meets no opposition. A law feebly enforced has feeble opposition. A law vigorously enforced gets vigorous opposition from those whose appetites or profits are touched. The majority of the American people who originally adopted the Eighteenth Amendment, reinforced by those enfranchised by the Nineteenth Amendment, will carry on this fight and maintain and enforce national prohibition in spite of the opposition of its irreconcilable opponents.

## Congressman Hill's Reply to Mr. Wheeler

[MR. WHEELER'S ORIGINAL ARTICLE APPEARS ON PAGE 157.]

**I**S prohibition a failure? Mr. Wheeler's answer is "that depends upon your viewpoint."

He then discloses that his viewpoint is to claim that all improvements in this country since 1919 are due to national prohibition. To his claims the following observation of the Federal Council of Churches is very pertinent: "The fact that certain gratifying results followed the adoption of national prohibition does not always imply that they resulted from it."

Much of what Mr. Wheeler has written may be answered by quoting from the bulletin of the Council of Churches. "Prohibition publicity," says the report, "has suffered much from careless and unwarranted

inferences which lead social scientists, economists, actuaries and business statisticians to regard with distrust, if not with contempt, reports that are given out with a view to fostering opinion favorable to prohibition."

Let us consider some of the successes claimed to have resulted from national prohibition. "It is succeeding in decreasing the consumption of liquors," Mr. Wheeler alleges. "Even wet leaders have not claimed that 16,000,000 gallons of pure alcohol are contained in all the illicit beverages being drunk today."

The Council of Churches states in 1921 there was produced and deposited in bonded warehouses 83,690,140.73 proof

gallons of alcohol. In that year 36,765.474.78 gallons were transferred to denaturing warehouses. In 1924 the amount produced and deposited was 134,736,222.50. Of this 119,802,064.95 was transferred to denaturing warehouses. The nine months ended March 31, 1925, showed a further enormous increase in the production and "transfer to denaturing warehouses" of alcohol.

The production for nine months was 124,781,157.36 and the "transfer" was 116,017,606.08. The Council of Churches comments on this: "Specially denatured alcohol can readily be redistilled for beverage purposes," and then adds, "the diversion of this industrial alcohol presents at present the hardest task of enforcement."

Nobody knows how much alcohol is used for beverage purposes in this country. At the rate alcohol went to the denaturing warehouses in the nine months ended March 31, 1925, there was "denatured" about 155,000,000 gallons that year. Does anybody, except Mr. Wheeler, seriously contend that only 16,000,000 gallons of it, only about 10 per cent., went down the throats of thirsty Americans?

National prohibition has made the United States a nation of alcohol drinkers, but at the same time enormous quantities of corn whisky are made. In the fiscal year ended June 30, 1925, the prohibition agents seized in the United States the following

illicit stills and distilling apparatus: 12,023 distilleries, 17,854 stills, 7,850 still worms and 134,810 fermenters.

The withdrawals of wine on permit from bonded warehouses for sacramental purposes increased 800,000 gallons from 1922 to 1924, when 2,944,700 gallons were withdrawn.

Mr. Wheeler claims crime decreases in Chicago. The Council of Churches shows that total charges for felony increased from 15,273 in 1920 to 16,516 in 1924, and that total charges for misdemeanor increased from 79,180 in 1920 to 239,829 in 1924 in Chicago.

Mr. Wheeler claims national prohibition "a success from the standpoint of the race. The rising generation," he says "is not drunken." The Council of Churches states that 109 to 95 of the members of the National Conference of Social Workers reported that "drinking by young people as compared with pre-prohibition times" is "more."

As to the success of national prohibition in regard to business, the Council of Churches says: "It is noteworthy that a questionnaire sent as a part of this investigation to a thousand or more business men, directors in important corporations, selected at random, asking for their verdict as business men upon prohibition, yielded a predominantly 'wet' result."

## A Failure

By JOHN PHILIP HILL

Member of the United States House of Representatives from Maryland

**I**N November, 1918, the Federal Congress enacted the Wartime Prohibition law, which became effective June 30, 1919. Prior to its enactment, 32 of the 48 States had adopted State prohibition. The Eighteenth Amendment was submitted to the States by the Sixty-fifth Congress on Dec. 18, 1917. It was declared ratified Jan. 29, 1919.

While our national resources and man power were still mobilized for the war, the National Government entered, for the first time, a field of local government which had hitherto been exclusively under the jurisdiction of the several States. In the

bulletin on the Prohibition Situation, published last September by the Department of Research and Education of the Federal Council of the Churches of Christ in America, national prohibition was described as "a new social policy that has been written into our basic law."

Is prohibition a failure? By "prohibition" is meant Federal prohibition. Is it a failure? Of course it is, and not only is it a failure, but it has destroyed State prohibition which was successful in certain localities before the enactment of the Eighteenth Amendment. I say "of course it is" because national prohibition is founded on

a theory of government totally inconsistent with the general scheme of Federal and State obligations. At the time national prohibition was adopted thirty-two States had State prohibition. After mature consideration these States had decided that for them State prohibition offered the best apparent solution for the liquor problem. Let us see what has been the effect of national prohibition in such States.

Consider first, Georgia. Before the Eighteenth Amendment Georgia was dry under its State Prohibition law. Today it produces and consumes more moonshine whisky than did all the rest of the United States before the Volstead act. During the fiscal year ended June 30, 1925, there were more illicit distilleries and distilling apparatus seized in Georgia than in any other State. Here is Georgia's record as reported by the Commissioner of Internal Revenue. Federal prohibition agents seized 2,824 distilleries, 2,266 stills, 914 still worms and 25,027 fermenters last year.

The Governor of the Federal Reserve Bank of Atlanta, Mr. Wellborn, recently said that ever since he had been a voter he had heard prohibition orators proclaim that if they could have a prohibition law passed it would save expenses by fewer courts and fewer policemen and the jails would be practically empty. What has been the effect of national prohibition in Georgia? Mr. Wellborn says that in Georgia the above claims of the advocates of prohibition have not proved to be the case. Let us look at the police reports for Atlanta. State prohibition went into effect in Georgia on Jan. 1, 1908. In the following year, 1909, the arrests for drunkenness in Atlanta were 2,650, and the arrests for disorderly conduct 8,890. In 1918, under State prohibition, arrests for drunkenness in Atlanta were 2,196 and for disorderly conduct 8,415. Under national prohibition in 1922 the arrests for drunkenness jumped to 6,555, and the arrests for disorderly conduct to 15,185. In 1923 the arrests for drunkenness had increased to 7,003 and in 1924 to 7,973.

In Georgia, at least, prohibition is a failure as a preventive of the manufacture and use of intoxicating liquors.

Kansas was one of the original prohibition States. What effect has national pro-

hibition had upon Kansas? Henry Allen, former Governor of Kansas, has always been a strong adherent of prohibition. Governor Allen was largely responsible for the conference of Governors with the President of the United States several years ago concerning prohibition enforcement. Here is what Governor Allen recently said in his own newspaper concerning the effect of national prohibition on Kansas: "Prohibition had been making continuous progress in Kansas for thirty-five years. It had reached a point where bone dry legislation had created a condition of law obedience fairly satisfying. The old soaks were bringing a bottle across the border; the regular tipplers found a way to get hold of some liquor; but at least the police were dry and the children were not drinking. Nobody was bribing the law officers and there was no existence of a well-organized criminal fund built around exorbitant profits on white mule and rubbing alcohol. Then came the Volstead act which brought us three new kinds of policemen, the interference of the Federal Government in State Government, and a confusion of bureaucracy, and a complete breakdown of efficiency followed. Before the Volstead act Wichita was comparatively dry. Today there are a hundred places where booze is sold. The Sheriff receives a cold star from the bootlegger; the policemen on their beats drink with bootleggers; plain-clothes men, vice squads, detectives and captains all travel in a circle. Everybody knows that somebody is buying either one or three kinds of policemen. Before we reach a point where we have achieved sufficient spirit to correct a rotten condition we must all realize quite frankly that the condition is rotten. No sense of mistaken loyalty to the Volstead act should keep the people from a proper appraisal of the results of Federal prohibition as administered up to this time." Here is definite testimony from a prohibitionist who knows conditions that in Kansas Federal prohibition is a failure.

Iowa had State prohibition before the passage of the Eighteenth Amendment. What has been the effect of Federal prohibition in Iowa? Here is what the Superintendent of the Anti-Saloon League of Iowa reports: "Dubuque boasts of 41,000 citizens and 1,000 bootleggers, not to mention

the countless moonshiners operating in the city and vicinity. So keen has become the competition among the hundreds of moonshiners living on the jungle-like isles of the Mississippi and in the fastnesses of the heavily wooded bluffs that the largest manufacturer cut his wholesale price in half a short time ago. The islands and bluffs are swarming with stills, some of which turn out large quantities of liquor every week. Well-to-do farmers, both in Illinois and Iowa, have turned their homes into road-houses." Here is a statement from an enthusiastic advocate of State prohibition. Apparently, Federal prohibition is a failure in Iowa.

What is the situation in the national capital? The purpose of Federal prohibition was to stop the consumption of intoxicating liquors and to reduce drunkenness. Its advocates expected it to reduce crime in general. Has Federal prohibition stopped the consumption of intoxicating liquors in Washington? A morning newspaper, on March 28, had the following report on its front page, and such items are of daily occurrence in the newspapers at the capital: "Liquor flow large in capital despite seizures by police. Thirty-two stills taken. Washington's corn whisky supply has been reduced by 1,190,400 quarts, officials estimate, as the result of raids by police and prohibition agents in the last month."

No matter how valiantly the Coast Guard struggles with smuggled liquor, its efforts have nothing to do with Washington's corn whisky supply. Before Federal prohibition moonshine whisky was heard of in Washington as existing in the mountains of North Carolina, but was not known locally. What has been the result of Federal prohibition in Washington? In 1920, the first year of the Volstead act, arrests for intoxication, as reported by the Superintendent of Police to the Committee on Appropriations of the House of Representatives, were 3,568; in 1921, 5,415; in 1922, 6,375. In 1923 the number of arrests for drunkenness was 8,368, while in 1924 it had increased to 9,149. In 1925 it was 10,571. Although the increase in population in the District of Columbia from 1910 to 1925 was only 34.7 per cent., the arrests for intoxication for this fifteen-year period have increased 111.9 per cent. The increase for

the five-year period, 1920-1925, was shown by the Superintendent of Police to be 95.1 per cent. The report of the Superintendent of Police also shows that there was a larger number of arrests for intoxication from July 1, 1925, to Jan. 31, 1926, than for the same months in 1924-1925.

The advocates of Federal prohibition claimed that it would decrease crime in general. What actually happened in the District of Columbia for the five-year period beginning July 1, 1920? The following are the percentages of increase in the specified crimes: Assault with intent to kill, 16; robbery, 19.2; bigamy, 57.1; embezzlement, 5.8; house breaking, 49.5; assault, 2.8; disorderly conduct, 28.2; threats of personal violence, 6.6; carrying weapons, 27; petit larceny, 27.6; disorderly houses, 247.4. Is Federal prohibition a failure? These crime records show that it is a failure in the nation's capital. Similar statistics are to be found in the records of almost all of America's large cities.

Is prohibition a failure? For the last three hours, before a library table covered with papers, newspaper clippings and reports that overflow to the surrounding chairs and floor, I have been asking myself this question. Every thoughtful man and woman in this country has been asking, consciously or unconsciously, that same question ever since the Department of Research and Education of the Federal Council of the Churches of Christ in America published last September its Research Bulletin on the prohibition situation.

What answer does the Attorney General of the United States give to this question? In his last report, he says: "United States Attorneys' offices have made every effort to expedite the disposition of prohibition cases and to keep down the number pending on the dockets. Despite their utmost endeavors the number of pending prohibition cases increased from 22,380 at the end of the previous fiscal year to 25,334 at the close of business June 30, 1925. The number of cases terminated was 48,734, showing a considerable increase over the previous year, but the number of cases filed increased from 46,431 to 51,688." Then the Attorney General makes the following startling statement: "It is quite apparent that the Federal judicial machinery has

reached its peak in the disposition of cases. If the dockets are to be cleared and the number of pending cases kept at a reasonable figure, it is necessary that additional assistance, both judicial and prosecuting, be given at the points where clogged dockets and a continuous inrush of cases make the speedy administration of justice practically impossible."

In a brief article I can do little more than indicate the failure of Federal prohibition. I have before me the statistics on commitments to State and Federal penitentiaries for the years ended June 30, 1919, and June 30, 1925. These show that under Federal prohibition the increase in commitments to these penitentiaries has been 64 per cent. I am not offering my own opinion on this matter, but giving cold, hard facts. Personally, I have watched Federal prohibition as a member of the Sixty-seventh, Sixty-eighth and Sixty-ninth Congresses. I was formerly an active lawyer and for five years the United States District Attorney for Maryland. Neither I nor any member of my family has ever been connected in the slightest way with what are known as the "liquor interests." My father, although a lawyer, was by many thought to have been a minister, because he was superintendent of the largest Sunday school in Maryland. My grandfather began life as a lawyer, but finally became

colleague to his father in the ministry of one of the oldest Puritan churches in New England. I therefore approach this question from a point of view totally dissociated from anything but public interest. Prohibition is a failure as I see it. Every day its failure is admitted by some of its former advocates. In Collier's, recently, the Rev. Dr. Abernethy of Rutherford College, North Carolina, a life-time teetotaler and temperance advocate, said: "Frankly, I do not believe the Federal Government is constituted to execute the present prohibition law." Recently, the Rev. Dr. Sam Small of Georgia, veteran evangelist and temperance advocate, stated that the evils arising from Federal prohibition were worse than its bitterest enemies had predicted. Dr. Horace D. Taft recently said to a law enforcement meeting held by sixty civic organizations at Yale University, that "an entire generation of young people are growing up to flout and defy a law that enters into their lives in many ways." Read the recent declarations of Cardinal O'Connell, of Dr. Empringham, National Secretary of the Church Temperance Society of the Episcopal Church, of Bishop Brewster of Connecticut, of Bishop Fiske of New York and others too numerous to mention.

Yes, Federal prohibition is a failure. We might as well admit it, face the situation squarely and see what can be done to bring true temperance to this nation.

## Mr. Wheeler's Reply to Congressman Hill

[CONGRESSMAN HILL'S ORIGINAL ARTICLE APPEARS ON PAGE 161.]

**P**ROHIBITION has failed, according to my opponent, in three old prohibition States because more lawbreakers are being arrested and convicted and because the light is being turned on ancient speak-easies. The foes of prohibition hail this as evidence of the failure of the law. The people in those same States, with first-hand knowledge of conditions, do not view it as a failure but support it at the polls and send to Congress delegations pledged to the support of this policy. If Federal prohibition destroys State prohibition we challenge Mr. Hill to point to a single State that has back-tracked. On the contrary, they have strengthened the law and are cooperating increasingly with the Federal Government. The fact that a State or

a community becomes more aggressive in prosecuting violators indicates the determination of the people to enforce the law rather than the law's failure. At its very worst, in these or other States, prohibition is much better than the license system at its best.

Concerning Georgia, Prison Commissioner Patterson, who knows more of that State than the gentleman from Maryland, declares that public drunkenness has decreased and crime attributable to drunkenness has very largely decreased in Georgia under prohibition.

There is too much illicit liquor in Washington, but the press on the very date of the article to which my opponent refers published also the fact that Maryland, with

no State enforcement law, provided the bootleg liquor which Maryland's Congressman cites. That State, where the people are denied a referendum on prohibition by a constitutional provision written by the wets, is the reservoir which slops over into the capital.

The Federal Council of Churches, other dry groups, Mr. Horace D. Taft and former Governor Allen of Kansas, quoted by Mr. Hill, do not accept his theory of prohibition's failure. These foes of liquor point to the defects in enforcement so that there may be more and better prohibition and not less. They approve the principle and the policy. They are not satisfied with its enforcement. They will not be satisfied until the liquor dens have been ferreted out and cleaned up.

The wet policy has been to attack the law, to publicly condone its violation, to

hold up liquor criminals as heroes and martyrs, to brand officers of the law as spies, to oppose both enactment and enforcement of the necessary laws and then to declare that this policy of government has failed.

When prohibition seems a success to its enemies, then its friends may despair. Each cry of failure from the wet camp is a new proof of its success. Their argument that the nation is drinking great quantities of moonshine, when compared with the decreased death rates, the lowered crime ratios, the increased industrial efficiency, &c., lead to the absurd conclusion that bootleg liquor must make men healthy, wealthy, happy and wise. The truth, however, is that the illicit liquor consumption is comparatively small because America generally observes what President Coolidge has termed "this salutary law."

## As a Political Issue

By WILLIAM MacDONALD  
Lecturer on American History, Yale University

**O**F the national issues now under discussion by the American people easily the first in general interest is that of prohibition. Following the adoption on March 16, by the Ways and Means Committee of the House, of a favorable report on the Mellon bill providing for a complete reorganization of the prohibition unit with a view to better enforcement of the prohibition laws, a subcommittee of the Senate Committee on the Judiciary voted on March 19 to recommend to the full committee the holding of public hearings on the various anti-prohibition bills already before the committee. The report suggested that the hearings should extend over twelve days, the time being equally divided between the "wets" and the "drys."

The publication on March 21 of the results of a poll, conducted by 425 newspapers in all parts of the country, on the questions of repealing, modifying, or continuing unchanged the prohibition laws, showed that of approximately 3,500,000 ballots returned, about five to one were in favor of change. The unofficial referen-

dum, the largest ever held in the United States, indicated less geographical variation than had been anticipated. "Most localities with a population of under 10,000 joined with their neighboring cities in asking either for modification or repeal of prohibition," and "no city of more than 100,000 population favored the reign of Volsteadism." Of the larger cities, Boston and Atlanta returned the highest proportion of votes for prohibition, while North Carolina, South Carolina and Kansas were apparently the only States that went "dry." Anti-Saloon League officials were quoted as maintaining that the vote was the work of liquor propagandists, and that "the drys, being satisfied with existing conditions, could not have been expected to vote."

The announcement of the poll added impetus to a movement for a nation-wide referendum which had already begun in the States and in Congress. The Wisconsin elections, both Congressional and State, were reported early in March as likely to turn mainly on the prohibition issue, and the Secretary of State, Fred R. Zimmermann,

announced that the referendum on the subject authorized by the last Legislature would go on the ballot unless the courts interfered. The Rhode Island Legislature, after rejecting on March 19 a resolution intended to "put more teeth in Rhode Island's enforcement law," adopted on March 25 a resolution requesting the Senators and Representatives of the State in Congress to support legislation amending the National Prohibition law, and to submit the question to popular vote. A resolution to discharge the Judiciary Committee of the New York Assembly from further consideration of a bill providing for a referendum next Fall on the question of asking Congress to modify the Volstead act failed of adoption on March 15 only by the narrow margin of 71 to 74. A revised referendum resolution, prepared by Elihu Root and supported by the Republicans in the Assembly, was reported on April 1 to be practically assured of adoption at an early date. A special message of Governor Moore of New Jersey on March 31 appealed to the Republican majority in the Legislature of that State to petition Congress for a modification of the Volstead act. On March 26 a joint resolution for a nation-wide referendum on prohibition in 1928, introduced by Senator Edge of New Jersey, Republican, and subsequently modified, at the suggestion of Senator Borah, to include the question of repealing the prohibition amendment to the Constitution, brought the issue formally before Congress.

A three-cornered Republican fight for the Senate, with prohibition as one of the chief bones of contention, has developed in Pennsylvania, where Senator Pepper, who is a candidate to succeed himself, is opposed by Governor Gifford Pinchot and Representative William S. Vare. Governor Pinchot, long prominent as a "dry," and at swordpoints with the Republican State organization ever since he defeated it in the gubernatorial contest of 1922, has had frequent differences with the Coolidge Administration, and has openly attacked Secretary Mellon for alleged laxity in enforcing the prohibitory laws. Mr. Vare is running as an organization candidate and a "wet." Among other candidacies are those of Thomas W. Phillips Jr. and John S. Fisher, respectively "wet" and "dry," for

nomination as Governor at the Republican primaries on May 18.

In a number of other States, also, the question of prohibition has come to the front as a campaign issue. Senator Wadsworth of New York, Republican, who is a candidate to succeed himself, is a "wet," as is Representative John P. Hill of Maryland, Republican, who is expected to oppose Senator Weller. George E. Brennan of Illinois, a member of the Democratic National Committee, has announced his candidacy for the Senate on a platform calling for such modification of the Volstead act as would permit the use of beer and light wines. It was reported toward the end of March that the "wets" would centre their efforts upon Massachusetts, New York, New Jersey, Pennsylvania, Maryland and Illinois, in all of which States except New Jersey United States Senators are to be elected, and that candidates for both Senate and House would be asked to pledge themselves to support, if elected, a nation-wide referendum in 1928.

President Coolidge, who was appealed to on March 13 to make some statement of Administration policy which could be used to check the anti-prohibition agitation in Congress and the country, was reported to have said that prohibition enforcement was making satisfactory progress, and that he did not feel called upon to take part in the controversy. The next day the Board of Temperance, Prohibition and Morals of the Methodist Episcopal Church made public the charge that the Administration, "because of political conditions, was keeping in office as Federal administrators in some 'wet' sections men who are not in sympathy with enforcement of the laws, and who have not the endorsement or confidence of the 'drys'."

Not the least interesting of recent developments was the indictment extending to some 40,000 words, said to be one of the longest ever returned by a Federal Grand Jury, which was returned at Cleveland on March 15 against 112 persons for an alleged bootleg alcohol conspiracy. The persons indicted included millionaires, real estate dealers, manufacturers, railroad and warehouse employees, Government employes and bootleggers in twelve cities.

# The Conflict at Geneva

## I—League Hampered by Balance of Power Policy

By JAMES W. GERARD

Former United States Ambassador to Germany

LIKE most happenings connected with diplomacy, the so-called deadlock at Geneva is much simpler than it has been made to appear. The Locarno treaties of security do not, by their terms, go into effect until Germany has been made a member of the Council of the League of Nations. Certain nations, among them Brazil, were made temporary members of the Council and as such have all the powers of permanent members, and Brazil vetoed the entrance of Germany unless Brazil itself becomes a permanent member. At the same time, Poland, backed by France and Briand, Foreign Minister and Premier of France, sought admittance to the Council. Sir Austen Chamberlain, representing Great Britain, has been accused or suspected of having made at Locarno a secret arrangement with Briand under which Great Britain or Chamberlain was to back the Polish claim and, in the confusion, Germany, having refused to enter if Poland is admitted, the whole question has been adjourned until the Autumn. It is true that in certain speeches in England Chamberlain made statements which seemed to commit him to the policy of admitting a number of nations to the League Council. But these statements do not prove that he committed Great Britain to any secret understanding.

There is no foreign power behind the demands of Brazil. Gurgel do Amaral, the skillful and popular Ambassador of Brazil in Washington, in an excellent letter, has made this plain, and there is nothing startling or suspicious in the claim of a great people like the Brazilians to a seat in the Council of the League, a seat to which Brazil, in the opinion of neutral observers, seems entitled, not only because of her situation in the Western hemisphere, but because her presence would be most useful to the nations in that part of the

world. In the next place, Briand, for France, at Locarno and in the interests of peace, made enormous concessions—concessions so great as to surprise the diplomatic world, and it is but natural that France should seek a seat for her ally, the new Republic of Poland, as a balance to the claims and restless ambitions of the new Germany. The denials of a man of the great public and private reputation for truth and honesty of Sir Austen Chamberlain should dispose of all rumors of secret arrangements made by him with Briand. It is to be expected that Chamberlain, the chief engineer of Locarno, should feel that France, having made such great concessions in the interest of European peace, having consented to the entrance of Germany, should be favored in the matter of the admission of Poland. But this desire to help France is but the natural result of Briand's concessions at Locarno and is not based on any secret treaty, arrangement or understanding.

The situation is complicated in Great Britain by the fact that many people in what psychoanalysts call their "unconscious" are affected by the so-called "Traditional Foreign Policy" of England. That policy is beautifully simple: persistently followed from the moment when William of Normandy stumblingly fell at his landing on the English coast and arose, claiming a good omen, with his hands full of English soil. That policy has only two objects; one is to break whichever of the Continental Powers seems at the moment the strongest. It is this Traditional Foreign Policy that soon after the war stirred up the great feeling in England against France, based on no action of France that justified such sentiment. In 1922, in England, it was the fashion to say "After all, you know, France is our hereditary enemy." It is this Traditional Foreign Pol-

icy of England that has led the British time and again into unnecessary Continental wars, and it is this Traditional Foreign Policy of England that has caused many in England blindly to demand the entrance of Germany into the League Council. The sensible, the modern view, was voiced in the British House of Commons on March 4 last by Sir Alfred Mond, cool-headed man of business, who said:

It is a remarkable thing that in the House and country it is almost looked upon as *lèse-majesté* for any one to put forward any case which might appear at present not pleasing to the German Government or German people. Claims of our allies and friends are represented as things only to be treated with scorn and insult. Mr. Lloyd George has spoken of America's joining the League, but America looking across the ocean would find the present discussions the very best reason for her never having joined the League and for her not joining it. We are placed now in the unfortunate position of quarreling with our former allies in the war in order to support our former enemies.

#### GERMANY'S BLUNDER

The attitude of Germany in opposing Poland is typical of the sophomoric quality of German policy. This buffer State, created by the Treaty of Versailles to threaten Germany from the East, with its population of 28,000,000, will be solidified and confirmed in its traditional hatred of all things German, and a State which by a clever and friendly move on the part of Germany might have been rendered at least not unfriendly will become the bitter and uncompromising enemy of the German Reich.

As time passes and we look calmly at the constitution of the League of Nations we realize that it is not a democratic League but an aristocratic one, based on a continuance of the union, in its dominating Council, of those powers which were allied to halt the ambitions of a Germany mad with the lust of world conquest. That German attack, once defeated, old ambitions, old hatreds, old revenges, once again raised their heads at the Council table of the League of Nations, and among these old ghosts reincarnated appeared the Traditional Foreign Policy of England.

The weakness of the League of Nations is that the vote of the Council must be unanimous, but this weakness is without remedy, because the members of the Council are sovereign States which will never consent to abdicate their sovereignty for the rule of any majority. Like the Polish Diet in the days of its Kings, when each member could by exercising the "liberum veto" prevent any action, this rule ties the hands of the League of Nations.

For the nations of Europe the situation created at Geneva is too important to be dismissed without solution. It is impossible to predict now in just what manner that solution will be arrived at; but the war-sick peoples of Europe will find a way out, even if their diplomats fail. The Geneva controversy has, however, already confirmed the majority of Americans in the belief that the League of Nations has not removed from Europe the old doctrine of the Balance of Power and has not extirpated from its too often warring nations their ancient jealousies and hates.

## II—A Blow to the Prestige of the League

By WILLIAM STARR MYERS

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**O**N Armistice Day, Nov. 11, 1925, General Smuts delivered an address in Pretoria which received but scant attention in this country, but which contained matter of unusual significance. Speaking of the work of the Paris Conference of 1919 and the formation of the Covenant of the League of Nations, Smuts pointed out that there was a conflict of

theories and objectives between what he called the "Continental" party, which desired a League for purposes of military coercion, and the British-American party, which wished to form a League for consultation and conciliation. Article X was an outright success for the former party and General Smuts added that he considered it a "blot on the Covenant." If this is borne

in mind, it offers an explanation of what recently occurred at Geneva.

It also should be noted that at the time the League was formed France, under the lead of Clémenceau, seemed loath to trust her fortunes and her safety to the protection of the proposed international organization. But later, and after her ghastly failure in the Ruhr occupation and her recognition of the fact that Germany was rapidly returning to normal and must take her place as a respectable member of international society, France seems to have made a complete about-face. She is now an active and, superficially at least, a devoted member of the League. This is possibly due to recognition by her of the fact that a majority of the members of the League are either outright Latin nations or under strong Latin influence. Therefore it is at least possible to turn the League into a Latin world alliance and also to transform it into a League of force, such as the "Continental" party desired at its original formation. The Geneva protocol of 1924 was a direct attempt to accomplish the latter, but failed.

#### NATIONALISM RAMPANT

Such diplomatic and political activity naturally has caused a fissure in the League membership and a necessary drawing together of the British and North European States with others like minded, although geographically located in different parts of the world. With them the German Reich must also align itself. Added to this is a recurrence of exaggerated nationalism. We thus see more or less permanent cliques, agreements or even alliances of the most characteristic pre-war type. These show that most unfortunately, and despite the pathetic faith of many of our self-styled "international idealists" or "internationalists," membership in the League of Nations has not worked a typical Methodist conversion on the part of member States, but that they have remained exactly what they were before. And as has been sagely remarked, the greatest strength of the League up to the present time has consisted in its inherent weakness. Just as soon as an attempt is made to bring it to a position of dominance and power, it falls victim to

rivalries and conflicts of interests, and is threatened with disruption.

Of course the *impasse* at Geneva has aroused the jeers or fears of League opponents, and there is no question that the organization has received a staggering blow, so far as the respect and confidence of world opinion is concerned. There are those who are prophesying complete failure and immediate extinction, but present events hardly substantiate this view. There is no doubt of the extremely serious results of the recent catastrophe, for such it may be called, but the League is a "going concern" and, as such, is much harder to kill than a mere idealistic suggestion—for future reference.

#### GERMANY'S ATTITUDE

League supporters may comfort themselves with several outstanding facts. In the first place, Germany has announced her intention of renewing her request for admission to League membership, and the overwhelming opinion of both the Council and Assembly members has been openly expressed in a desire that this be accomplished. Also Luther and Stresemann were upheld by a vote of almost two to one in the Reichstag on March 23. Added to this was the statement made not only by the German, but also by the British and French Ministers, that this policy is unchanged and furthermore that they all will stand by the Locarno agreements, which are so necessary for the fundamental peace of Europe, with or without the continued existence of the League of Nations. Both Chamberlain and Briand have likewise received votes of confidence in their respective Parliamentary bodies.

There at once arises the question whether or not these Ministers will still be in power when next September comes, with its meeting of League Council and Assembly, and when a hoped-for settlement of the recent difficulties may take place. Herein lies especial danger, for there is a possibility that domestic politics will upset these Ministries. Again, popular disgust and suspicion of the League, newly aroused by the recent fiasco, may crystallize by that time into a force that will cause a direct change in the foreign policies of these countries

and in a direction by no means favorable to League interests.

#### A CAUSE FOR OPTIMISM

A cause for optimism lies in the appointment of a commission to study fundamental questions of League organization and policy. This can be used in a statesmanlike and far-seeing way in order to repair inherent and widely apparent defects in the League Covenant itself, and thus cause a gradual but world-wide acceptance of the whole League idea and a renewal of shaken popular confidence. It would be worth all the trouble it has cost and the danger of disruption undergone, if recent events thus should lead to a frank acceptance by the "Continental" party already mentioned of the fact that the League must be merely one of consultation and conciliation to succeed, and not a super-State, as General Smuts has pointed out. It would seem that either some such result must be accomplished or the League will gradually "go to seed" and die of inanition and contempt. In the opinion of the writer this process may be hastened by the undoubted fact that the British people and their self-governing dominions must sooner or later choose between membership in the League of Nations, as at present constituted, and a con-

tinuance of the existence of the British Empire or "Commonwealth of Nations." But this is a long story and cannot be expanded within the limits of the present article.

Recent events at Geneva, especially as interpreted by General Smuts's speech, should cause Americans to be proud of the sound common sense and political insight of our people, for surely their judgment in the 1920 election has been vindicated. Either the League must be reformed, possibly along the lines of the so-called "Lodge Reservations," or else its failure is sure. And there is one further fact that is beyond contradiction. Though several years ago the League ceased to be an active political issue in the United States, opposition among the rank and file of our citizens has been vastly increased by the events of the month of March, and there is less chance than ever of the participation of the United States, so far as present human judgment can forecast. American suspicion and dislike have been confirmed, and recent publication of memoirs and private papers, however valuable in themselves, are not needed in order to convince the American people that they have made no mistake, but that their judgment has been supremely right.



# The New London Since 1914

By ROSE MACAULAY

Author of "Potterism", "Dangerous Ages", "Told by an Idiot", and other books

EVERY decade of its history has made considerable changes in London, a city never stationary. The dozen years between 1914 and 1926 were no exception. One would not, perhaps, say that London changed more in these twelve years than in other periods of the same length, and it would be difficult to assert with confidence which of the changes were caused by the European war, which occupied some years of the period, and which would anyhow have occurred; but changes there certainly were.

During the war London, like other places, plunged into Cimmerian blackness and infernal activities. It became a nightmare, a city of dreadful night. Between 1918 and 1926, however, it returned to all and more than its pre-war gayety and brightness. It reacted from the shrouded, unlit, lampless years, when citizens lost their way after dark in familiar streets, and bedecked itself with a veritable diadem of blazing constellations. The Londoners of 1926, walking through Piccadilly at night, saw puppies flashing in and out on high, like heavenly cherubim appearing and vanishing, ruby wine poured and repoured from bottles eternally full, smokers lighting cigarettes, winking blandly at London, and as suddenly eclipsed, and a thousand more such gay spasmodic visions. They walked past Selfridge's store, and round its lofty brow they saw the evening's news sparkling vivaciously along. Most of this was new since the war. Electricity before the war was more sparsely used, not poured forth with so lavish a hand for our entertainment. It was, of course, the ever increasing zeal of advertisers which was responsible for this luminosity. How long it would last no citizen could prophesy. There were those who admired it and those who found it vulgar; neither of these could affect its continuance, but only the wealth at the command of those who used it.

As to the London streets by day, they had developed during these years an increasing habit of being up, of opening into yawning and earthy chasms, wherein men with picks, mallets and other machines strangely toiled. This was said to be in order that the workless might work. I do not know if it had any further object. Anyhow, those engaged on these operations were very busy, digging, boring and hammering, and flinging away wooden paving bricks, which children carried off to their homes. The unemployed were quieter and less injurious when selling matches or toy dogs at street corners, playing accordions or marching in processions, but they no doubt earned less.

But a greater and more permanent change than the taking up of streets was the pulling down of houses. Everywhere in London in the post-war years this was being done. Nash's Regent Street, one of the graces of London for over a century, in 1925 stood in ruins. On the sites of its demolished buildings great blocks of shops or flats were in process of erection. London was following the example of the New York of thirty years ago in the destruction of smaller old buildings for larger new ones. The movement had begun before the war, but had been checked, with all building, for a few years. After the war it hastened to make up for lost time. No street was safe from the spreading tide of commercial vandalism. Nor was the vandalism only commercial; some of it was shown by the erection of statues and war memorials. Dominating Trafalgar Square stood, solid and uncompromising, the huge stone figure of Nurse Cavell, who deserved better at her countrymen's hands than this. Nor were the parks safe from monuments, some few of which aroused a good deal of unfavorable comment, notably Epstein's relief sculpture in memory of Mr. W. H. Hudson, though this was not actually so bad as some others.



ROSE MACAULAY

Monuments, of course, had always been erected in London, but the war was responsible for many new ones, including the cenotaph in Whitehall, which was generally considered inoffensive and even pleasing.

#### MORE CROWDED STREETS

But the chief change and most important in the streets was that they were considerably fuller. They seemed, in fact, by 1926, to be quite full, though this, of course, was not actually the case. They contained several thousand more motor omnibuses, some of them private vehicles plying under the same numbers as those of the General Omnibus Company but not always pursuing the same routes, which was highly confusing to passengers. There were also some millions more taxicabs and private cars, and a great increase in lorries and vans. The streets were consequently so full that driving along them in those crowded years was often not much quicker than walking. There was, naturally, a great deal of death and injury in the streets, for the motor vehicles mowed down their daily quota of pedestrians as inevita-

bly as reaping machines kill field mice. In spite of this, the number of pedestrians also steadily increased; the main streets were jammed with jostling crowds like the Thames with boats at Henley. It would seem either that there were more Londoners altogether since the war, or that more of them went about the streets. One has heard it said that before the war people stayed more in their homes; I have no great recollection of people staying very much in their homes at any time, but it may be so. I believe, however, that in the middle 1920's, when so many homes had set up a wireless installation, there began a movement of "back to the home," and the domestic evening began to revive. There did not, all the same, appear to be any lessening of the crowds in the streets. Perhaps the war had developed in people a wholesome craving for fresh air and change of scene, and struck a blow at inert and lazy domestic staticism.

In general, however, the people of London had probably changed during the war a good deal less than London itself. The war, as wars do, no doubt slew or stunted a certain amount of intellectual activity. You cannot pursue a single aim for four years without becoming to some extent deadened in other directions. But recovery set in with peace, and it is doubtful whether 1926 was intellectually and culturally much behind 1913, though it was certainly artistically less alive. As to general outlook, there were those who believed this to have been considerably and profoundly altered by the war years. It is probable that, in the case of the old and those in middle life, this was the case. These were they whom the war had caught and trapped as adults, who had fought or worked through it, suffering that intolerable sense of outrage that war must bring to those whom it grinds in its jaws. Never would those over 25 years of age feel safe again; never again could they forget that it only took the exchange of a few dispatches between Governments to turn the world into a blazing hell. The war generations continued with the peace to live on their nerves, never quite free of a nightmare background of strain. This tended to make them, in varying degrees, restless, nervous, and overstrung, or else bent on

seeking pleasure where and while they could find it. There was no stability in life; even to the dullest this had been brought home; so life was, by many people, turned into as much of a giddy-go-round as leisure and means allowed. Others, of quieter habit or greater age, developed a cynical philosophy of expectation or the worst at any moment, while idealists threw themselves, with little hope, into working to avert it. Daily life and work went on as usual, but at a higher tension than of old. Possibly this was partly why people crowded in such numbers into the streets, subconsciously aware that to move among crowds was to keep thought at arm's length.

#### THE YOUNGER GENERATION

These, however, were only the middle-aged and old. The young, that is the people under 25 or 26, remained as they had ever been. The war had made little or no impression on them; with the self-absorption of childhood they had accepted it as the natural background to life, insensitive to its outrageous character. So

the peace found them unshattered, undemoralized and unchanged, and any alterations which the young (to mention them unscientifically in the mass) had undergone between 1914 and 1926 were independent of the fact that there had been a great war. The young of 1926 were much the same as the young of 1914; that is to say, there were to be found among both all the same types and specimens. What changes had occurred among the young were common to all ages, points of view and habits caught from their elders, the war generations. The usual number of persons were to be found who talked, repeatedly and loudly, of the new young, but these were, as usual, superficial observers, and probably were taken in, as such critics always have been, by slight changes in dress and etiquette. There was, for instance, a good deal of notice taken of a creature called by the press and pulpit "the modern girl"; people wrote to the papers about her and said that "she" (as they called her) was fast, dissipated and selfish, or, alternatively, loyal, generous and straight, apparently never thinking it



Ewing Galloway

The Strand, one of London's streets best known to pleasure-seekers



Ewing Galloway

An airplane view of Aldwych, the crescent-shaped thoroughfare from which Kingsway runs north

at all strange that all the girls of the moment should be of the same disposition, were it either good or bad. They wrote at this time of girls, in fact, as people have at all times written of girls, as if their minds and characters depended, like their clothes, on the fashions of each year, and as if, as well as saying "Girls are slim this year," you could say "Girls are selfish this Spring, or honest." Curious complaints were heard of girls, as that they drank cocktails, and Bishops would counsel them never to go out with gentlemen who offered them this form of refreshment. Cocktails bore, in these years, for some reason, a rather ill repute; they were spoken of with disapproval by many persons, as who should say "cocaine," or "cocoa." It is possible that there may have been a confusion in some minds between the names of these three comestibles. Otherwise, why cocktails, among alcoholic drinks, were selected for reprobation, rather than sherry, claret, champagne, or gin-and-ginger, seems obscure; possibly be-

cause of their solitary position, unaccompanied by simultaneous food. Anyhow this form of refreshment became after the war increasingly popular with persons of both sexes and all ages:

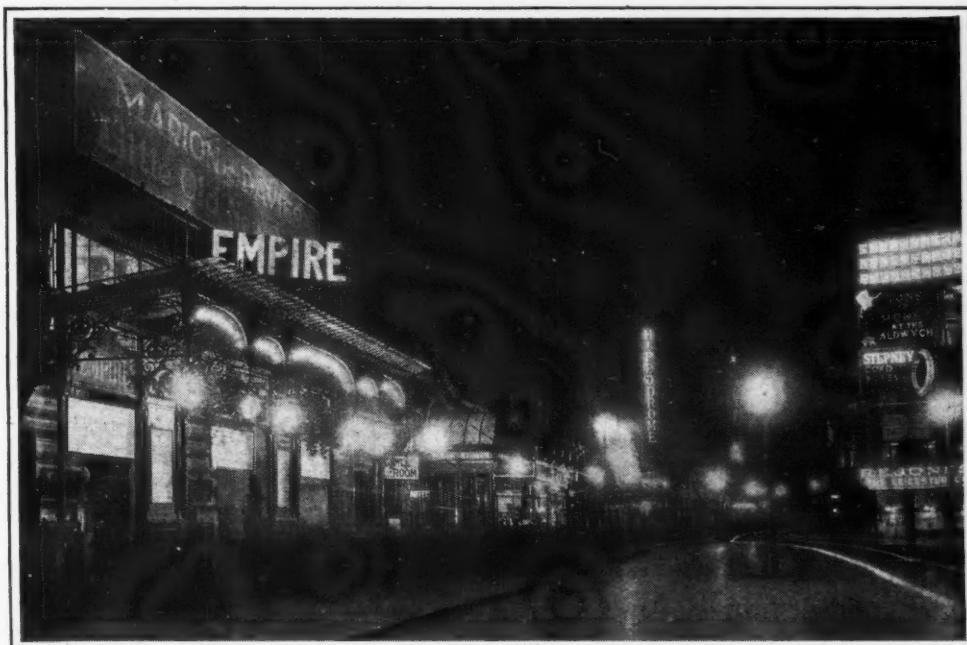
Reverting to girls and women, though their characters did not change, their external shapes had continued during these twelve years to undergo constant metamorphoses, as always. In 1914 women were straight, high-waisted, and empire, with skirts clinging tightly round their ankles. In 1915 skirts began to widen and shorten, so that the occupants could the better walk and run. After that skirts climbed up and fell down at the will of the tailors, until in 1925 and 1926 they reached the knee—a very convenient length—and are still there at the time at which I write. During the early post-war years, women were a fussy, bunched shape, but later they straightened, and by 1925 all curves had disappeared and women were like wands. The clothing of 1925 and 1926 was perhaps the most commodious, attractive and

neat-looking yet worn in the history of female attire. The same clothes were worn by women of all ages up to 70 or so, the previous hampering disfigurements of elderly womanhood quite disappearing. At the same time more paint and powder was worn on faces, and short hair became increasingly prevalent, so that by 1926 there were very few hairpins left in London. This again was a fashion common to all ages, and gave female heads a much neater appearance than of yore. It was doubted by experts if long hair would ever return.

#### LESS SOCIAL BRILLIANCE

As to masculine attire, the top hat became, during and after the war, increasingly rare in daily life. Whereas in 1913 gentlemen of fashion walked the streets, anyhow between April and July, in top hats and frock coats, in 1926, even during the season, soft hats and lounge suits abounded. The formality of social fashion in general had a little relaxed. Some complained that what they called "society" was rotted to the core by the impoverishment of many who had had wealth before, the enrichment of many who had

not, and the consequent change in the habits of both. One undoubted change was wrought by the lowering of wealth and the consequent abandonment of many of the large London houses; there were far fewer large social functions after the war than there had been before it. The huge balls, for instance, which had been common through the season until 1914, were greatly diminished in number. In consequence of this Londoners took largely to subscription dancing in public halls, cabarets and night clubs, which they frequented in parties together, people bringing their dancing partners for the evening with them. Dancing became an immensely popular pastime, more so than ever before, and there were not lacking those of great physical endurance who would dance all night the week through. This had become more possible than of old partly because dancing had greatly slowed in pace; having decided to dance a great deal, dancers inevitably and wisely abandoned their energetic pre-war leaping and whirling, and adopted a sober, halting step, which was much like walking round the room to music. It is possible that this staid dancing corre-



Ewing Galloway

Night in the heart of London's amusement centre—Leicester Square and thereabouts



Ewing Galloway

Entrance to the underground railway station in Trafalgar Square. Note the newsboys holding posters which are issued for every edition of the newspapers

sponded to a graver and soberer outlook among people in general, though some said that, on the contrary, this was not the case, but that people were as they had ever been, and this was not, for the most part, grave and sober at all. Be that as it may, the night life of London was, for the most part, a cheerful but discreet and well-behaved affair. Night clubs were from time to time raided by policemen, on the suspicion, sometimes justified, that alcoholic liquors were being purchased and consumed there after the legal hours, but otherwise they were, mostly, very respectable places. Many indeed were the shifts to which Londoners (and others) were driven by the curious laws concerning the sale of alcoholic drinks, which was only allowed between midday and 3 P. M. and between 6 and 10 P. M. These laws were an example of the increasing habit of interference with the actions of the community which the war years had fostered in the Government. They caused a good deal of discontent and a slight but perceptible increase of sobriety during the close hours.

In general, the social life of London was a less gay and lavish affair than before the war. Not only had lack of means caused the abandonment of many large London houses, but servants had become poorer in quantity and quality, so that entertainment was more difficult. Many people preferred to live in flats rather than in houses, and some even preferred the labor-saving life of hotels. Also, the great increase in motoring and the great crowds in London induced those who could manage it to get out of the town into the country more than before. Undoubtedly London was a less socially brilliant and amusing place than of old, in spite of the greater number of public entertainments provided.

#### CHANGES IN MORALITY

The question was often raised during these years, as indeed it has always been raised, as to what extent and in what directions moral standards had recently altered. There were those who maintained that "moral turpitude" of various kinds had, on the whole, increased, owing to the

savage and primitive conditions of war, or to the reaction from these into self-indulgent dissipation. Others thought that things were, and had always been, much the same, but that there had grown to be a greater freedom and toleration for certain modes of conduct, so that what had once been practiced in discreet secrecy was now openly flaunted. It is probable that certain forms of misconduct, such as burglary and violence, had slightly increased, owing partly to the presence in the community of a large body of unemployed men, and partly to the fact that many of these had been trained in the dangerous school of war. Certainly there were more daring raids on property in daylight and in public places, and more burglaries by night. On the whole, however, London remained a quiet and law-abiding place. Street prostitution, if no less than of yore, was no worse, and was probably being decreased gradually by the presence of women police. In the public parks the officious vigilance of policemen had grown so great that it was scarcely safe for strangers of different sexes to address one another at all.

But it was in the conduct of ordinary private life that there had been a certain modification of public opinion and a greater license of action. There was more freedom of intercourse between the sexes,

in all senses. This was often exaggerated and overstated, especially when older people commented on the young, accusing them of having the morals of the rabbit warren and so on; but there had been, all the same, a real and observable change, and not more among the young than among those in what might more appropriately be called middle youth than middle age. Divorces were more frequently and readily sought, so that there were fewer unhappy (anyhow permanently unhappy) marriages than in the days when divorce had been only resorted to as a desperate measure, and when divorced wives (though, curiously, divorced husbands less so) had been excluded by a large section of society.

These changes were accompanied by a greater freedom of speech, so that, whereas Edwardian and early Georgian talkers and writers were hampered by a thousand or more inhibitions, the later Georgians could say anything and circulate in print nearly anything that came into their heads. Only the drama was still a little trammeled, owing to the curious and incalculable activities of the censor. His authority, however, was increasingly flouted and evaded, by the enterprise of various dramatic clubs and societies, who could produce and sell tickets for any play, free of censorship, provided they did not sell tickets at the door. Sunday nights were favorite times for these



Wide World

Londoners enjoying a Summer's day on the Thames at Richmond and Twickenham

productions, which were often experiments well worth making, with plays by new authors which had not yet been placed on the ordinary stage, or revivals of old productions. These Sunday evening audiences often glittered with dramatic stars, who were thus taking their only opportunity during the week of seeing a play from the stalls.

#### NEW AMUSEMENTS

As to drama in general, it was much as it had been before the war, except that the revue had become increasingly common and popular, taking the place of the old musical comedy. A revue, if popular at all, perhaps had a better chance of a long run than an ordinary play, as people liked to go to the same revue again and again. On the whole, runs of plays were shorter, owing possibly to the increased competition of other pleasurable ways of spending the evening, particularly cinemas. This form of drama had increased enormously during the past twelve years. New picture houses were opened in London continually, and all of them seemed full. Owing to its lower prices, the cinema was far more widely attended than the theatre; there were few who could not afford the pictures once or twice a week. Even if it chanced to be a dull set of pictures, the picture house was an agreeable, warm place in which to sit and smoke, whether it were a magnificent palace like the Plaza or Stoll, or a humble suburban place of entertainment. Doctors said that this crowding together in cinemas was responsible for much disease, such as influenza and colds, and this was doubtless the case, but they should also have taken into account the many bad colds which would otherwise have been contracted by persons who had nowhere to spend the evening but the streets. On the whole the cinema habit was certainly advantageous to the public welfare, and added zest and interest to millions of lives.

Another favorite way of spending the evening during these years was listening to broadcasting, a new amusement which at this time had taken a great hold of the people of England, so that an enormous proportion of them had their houses fitted with the necessary apparatus, and sat through the evenings with ear-phones

clamped over their ears or with a loud speaker pouring news, music, sermons and after-dinner eloquence indiscriminately into their sitting-rooms. Like the cinema, the radio was a formidable rival to the theatre, and also the Sunday evening service in church or chapel to which some citizens were still addicted. It was also, though in a less degree, a rival to the pursuit of reading, though this could be and often was carried on simultaneously with listening in, so that in many of the happy homes of England you would see families sitting round their parlors with phones on their ears and books on their knees, enjoying very agreeably this mixed entertainment. The people of London remained great readers, whether they read fiction, memoirs, the *Daily Mirror*, the *Racing and Football Outlook*, or only the popular Sunday press. The actual output of volumes published had slightly increased since the war. In kind and quality they remained much as ever, except that memoirs and reminiscences had become increasingly common, and poetry, which had been produced in great quantities and much read just before, during, and for a year or two after the war, had by 1926 greatly declined both in output and quality, and in the general interest felt in it. In 1913 England had seemed full of promising young poets and keen and enthusiastic readers and critics of poetry; the war fostered this movement which petered slowly out after a couple of years of peace. The young poets had either lost their impulse to write verse, or the public had lost the impulse to read them, and in 1926 very few poets under 35 were writing anything worth reading.

As to fiction, most of the pre-war novelists were still writing in 1926, and the usual number of new ones, of varying degrees of merit, had arisen. Various experiments, none of them very new, were being tried, and, as always, there were a small class of what were called "best-sellers." The detective or mystery novel was being produced in greater numbers than ever before, and many discriminating readers read no other fiction than this.

The press flourished abundantly, becoming ever more and more sensational in style and matter, with increasingly foolish and vulgar headlines and placards. Londoners



Ewing Galloway

A relic of Elizabethan London in High Holborn

could scarcely fail to get the impression each morning when they went out into the streets and each evening when they returned from work that several very remarkable events had occurred over-night or during the day, as the case might be, so many were the "amazing scenes" recorded in large black letters on placards. Possibly, however, a long course of this treatment had somewhat deadened the Londoner's faculty of amaze, for the utmost calm was evinced by those who studied their papers in train and bus.

#### POLITICAL LIFE

While the press and streets were noisier, political life was rather quieter than in 1914. The militant suffragists and the Irish question had disappeared; though, as regards noise, the place of the Irish members in the House of Commons was adequately filled by a section of the Labor Party. The House of Commons had become, largely owing to the great increase in the size of this party, many of the members of which had been educated at elementary schools and were innocent of classical learning,

an even less scholarly, and more and more man-in-the-streetish assembly than of old. It was, on the whole, a good-humored gathering, in spite of certain readiness to take offense on the part of Labor members. The old Liberal Party was in a poor way, and what remained of it seemed a trifle uncertain of itself, its right wing being practically Conservative, its left all but Labor. The conflict had, practically, become one between Conservative and Labor, and was of a mild character at that. Labor, during its short term of office, had shown itself more like the other two parties than had been expected either by its friends or foes; like the other parties, only more so, it had been run almost wholly by the Civil Service. The legislation of the Labor and Tory parties had proved to be very similar, but on the whole the country seemed to have more confidence in social legislation of a socialist trend when it was passed by the Tories. The addition of over a million women voters had not made much difference to the quality and tendencies of the electorate, but they had given women a slightly greater interest in political af-

fairs. Women members of Parliament were still very few; those who investigated the minds of voters at elections found that, though women voters were often willing to vote for women candidates, working men (probably judging the candidates' mentality by that of their own wives) could not be induced to take them seriously, and, as the male vote was still greatly preponderant, women so far stood but a small chance of political success.

Religion seemed in a curious state of suspense. Church-going in London had largely dwindled, and with it definite religious beliefs. But there appeared to be a great deal of interest felt in the subject. On Sunday afternoons the parks were full of orators of all religious denominations or none, and these were always surrounded by groups of more or less interested listeners, bombarding the speaker with questions and arguments of all degrees of naïveté. London was certainly not, in the main, indifferent to religion, though the old orthodoxies had largely disappeared and the clergy complained that the churches were empty, which was, however, by no means the case. That religion was a popular subject was shown by the immense interest evinced when a daily paper ran a series of articles by novelists called "My Religion," which very adequately on the whole, set forth what might be called the ordinary man's difficulties. Among more

educated people, except in clerical circles, definite religious belief was very rare, and church-going could not at this time be called one of the habits of the average Londoner of any class. Sundays were more and more spent in recreation, exercise and expeditions. These expeditions might be merely to the parks, Kew Gardens, Richmond, or the Zoo, but the increase of facilities for getting out of London took many people further afield, and the suburban counties on a Sunday were thick with motoring or rambling Londoners, many of whom had obeyed the exhortations everywhere placarded to "Take the Tube to Edge-ware," or "Explore Beechy Bucks by Metro," and so forth, for London was all the time throwing her feelers out far and wide, extending into the countryside underground and overground lines of communication, and following up these by building, building, building, so that Greater London would before long swallow up all the home counties, and Beechy Bucks and Wild Surrey would be distant memories, like the green fields of Paddington and Kensington. Possibly that is why the Londoners of 1926 explored them while they might.

A rather larger, much fuller, much noisier city, clearer of smoke and empty of hansom cabs; the same people but more of them; that is the London of 1926. And a certain careless gaiety gone—or is that only in the imaginations of those who were, in 1914, very young?



# The United States as Canada's Friend

By SIR ROBERT FALCONER

President of the University of Toronto

The following article, written specially for *CURRENT HISTORY* by the President of Canada's largest university, sums up the tangible results of over a century of peace between the United States, with its population of over 100,000,000, and Canada, with only 10,000,000 inhabitants, but with the gigantic shadow of Great Britain, the Canadian motherland and imperial centre, looming from across the seas.

In this study of international relations, written by Canada's most eminent educator, the change of feeling in the United States from hostility or suspicion and toward an attitude of cordial sympathy and understanding, is illuminatingly explained. Calm and dispassionate in tone, the article records the earlier differences and points out the present affinities, citing compelling reasons for enduring friendship between the two great English-speaking neighbor-nations inhabiting the North American Continent. President Falconer in this contribution proves himself to be a keen, broad-minded and generous interpreter of the diplomatic, economic and intellectual contacts between his nation and our own during the last century and today.

IN 1915 there was a celebration of one hundred years of peace between the United States and the British Empire. Had it not been that the great war was then raging in Europe, the event would have attracted wide attention. As it was there were a few commemorations, one of which was held in Toronto when the late Mr. Choate delivered two arresting addresses. The note of the occasion was thankfulness that for a century the border line between the United States and Canada had not been traversed by a regular hostile force invading a neighbor's territory. It is true that in the University of Toronto there is a memorial window to three undergraduates who fell in repelling a Fenian raid in 1866. But that was an unofficial though uncompensated intrusion of Irish soldiers who had served in the Civil War and who wished to vent on Canada their hatred of Britain. A number of untoward incidents occurred during the century, any one of which might have developed into serious consequences. Unbroken peace between 1815 and 1915 was, therefore, a ground for genuine congratulation.

Canadians assume as a rule that such infractions of neighborliness as took place between the United States and themselves originated south of the line. But it is evident from the correspondence of the leading American statesmen and diplomats

that Canada was often very irritating to them; in fact they regarded her at times as an intolerable nuisance, and virtually said so to the representative of Britain. The Canadian knew only too well that he was subject to a two-fold danger: from any quarrel between Britain and the United States, which would have to be fought to a finish on his territory, and from local antagonisms due to the presence on American soil of a rising nation owing allegiance to the British throne. When, therefore, a flash gleamed in the Foreign Offices of London or Washington, a rumble of thunder was also heard in the press of the provinces; but improved relations between the United States and Britain meant clear sky on the Canadian border. A genial atmosphere has of recent years settled into steady weather of springtime in the region of the Great Lakes, and good-will has begun to blossom along their shores.

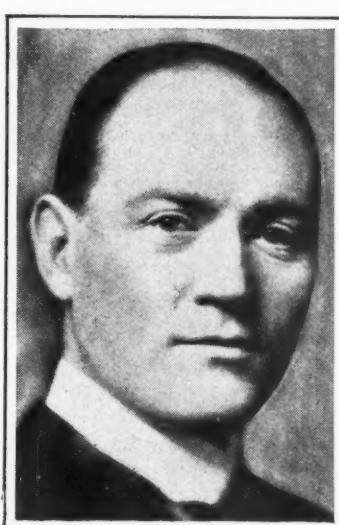
There are several factors in the development of each people which explain the improved relations between them. In the case of the United States there are her own vast growth, her effort to maintain her ruling ideals, and, as has just been remarked, her changing attitude toward Great Britain.

The nineteenth century was the period of the increment and stabilization of the United States. After two centuries of slow development they suddenly entered upon

the most rapid expansion that probably any people have ever had. A marvelous unoccupied territory lay behind them, and the further they penetrated into it the richer it was found to be. Hundreds of thousands of newcomers arrived from Europe every year to take possession of it. Westward led the trails to the valleys of the Ohio and the Mississippi and to mountains fabulously rich in mines and forests. Nothing could interfere with the occupation by the American of this rich territory. But when he looked north, he saw beyond the lakes another people, a portion of them alien and of French origin, though for the most part belonging to his own overseas kinsfolk from whom he had broken away not so many decades before, and whose power and persistence he knew. Would they again dispute his entering into some of the richest parts of this continent? They had the Maritime fisheries; would they also, through the historic Hudson's Bay Company—an engine of British trade—claim the prairies broad and rich enough to support an empire? Was it any wonder that during a century of hectic experience the American people were easily excited against a neighbor who might again turn into a British rival? With the lapse of years they realized that those Northerners were devotedly attached to Great Britain; indeed that this attachment was, for both English and French-Canada, an essential axiom of their existence. That was in those days a hard fact for the American to face as a permanent condition. So he talked a good deal about annexation. Conscious of his own growing strength and of the magnificent hopes that he entertained and was realizing, he got into the habit of assuming that the Canadians would soon come into his family willingly. Some few talked of barter or even constraint, and one heard much of the imaginary line that separated

the two peoples. But that is now largely a thing of the past. The boundaries of the two countries have been settled, the continental territory is determined, no disturbing questions of this character remain, and the Americans are content with their magnificent possessions.

Moreover, they are so assured of their position in the world at large, their rank is so unchallenged and their wealth so fabulous that Canada does not present any temptation to them. Their status was admitted among the nations before the war, and since then it is even more certain. Europe, recovering from the desolation into which her folly has brought her in spite of her boasted civilization, will not henceforth overhear the word pass through the Continental chancelleries as to whether recognition is to be given to an upstart in the New World. They send delegates to Washington; they are wondering when Washington will appear at Geneva. Such a change in outward position was bound to produce a psychological effect in the



SIR ROBERT FALCONER  
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Toronto

American people. They have become less self-assertive; there is less tinder lying around for the jingo to drop a spark into.

A second factor of moment is the improved relations with Great Britain. This has now been obvious for some years, but its effect will be only gradually felt upon this continent. This kindlier spirit will blunt the hard edges of hostility to the occupancy by British peoples of a portion of the continent, which has so often irritated pleasant intercourse.

But it is not an incorrect analysis, I believe, to discover a further cause for the change of feeling in the emphasis that is being laid upon the value of the inheritance that comes through the original American stock. Even the outsider can easily detect the anxiety felt by the descendants of those people, lest rapid immigration may dilute

their old national and social qualities. Their excellence may be exaggerated, and some of the talk about Nordic strain may be merely the philosophizing of prejudices, but these are the ideals that the majority of Americans wish to have prevail, and an effort is being made consistently to prevent the stock from being overborne. The dangers came to light at the time of the war, when we heard much about the necessity of Americanizing the foreigner, and not a little as to the foreigner not taking too kindly to the process. Another phase seems to manifest itself partially in the enacting of the "quota" law, one intent being, it would appear, to dam up the stream which threatens, if unrestrained, to submerge the Anglo-Saxon element, or leave it as islands amid a flood of South and Southeastern Europeans. In these circumstances is it not natural that these oldest Americans should realize their affinities with another people which has a fuller and more unbroken connection with the primal home of the stock; that they should turn with appreciation to those whom, by instinct and inheritance, they understand better than any other nation? If, however, the old American, when pressed by the incoming throng, thinks with more sympathy

than before of the civilization of Britain, he will look with even a kindlier eye upon the English-speaking Canadian. This, too, is shown in the "quota" law. Unfortunately for the Dominion, Canadians are exempted from its operation. They are allowed to cross the border undisturbed. They might often pass for Americans. In fact this is what they are—genuine Americans.

The oldest Canadians—French and English—have lived as long on this continent as any other people. Some of those of Loyalist origin can hold their own with New Englanders or Virginians, and the descendants of the Loyalists form no inconsiderable part of the English-speaking population of Eastern Canada. To say that they are Americans is to take account of the effects of geography, and to recognize that the English stock, when domiciled for a century or more in North American surroundings, was bound by adapting itself to circumstances to undergo no inconsiderable change. Society is organized differently from what it is in Britain; its order, ideals, habits have a tone of their own. Americans in both countries have never had a feudal aristocracy nor an established Church from which so many social standards take their



Wide World

Lord Byng, Governor-General of Canada, with Lady Byng (at right in photograph) and his staff



The buildings of the Parliament of the Dominion of Canada at Ottawa

rise. But in addition to this there is in Eastern Canada, just as there was in Pennsylvania and Western Virginia, a large Scotch-Irish element which, each in its own new home, has been modified by its environment. It is not, therefore, a matter of surprise that the old American of the United States finds himself able to understand the English-speaking Canadian better than any other person, and therefore he ought to be free from such prejudices as arise from ignorance. The French proverb "to know all is to pardon all" is, like most proverbs, not a complete truth; but the common kinship and environment of so many in these two countries should be a large factor predisposing to neighborliness. This being so, it need not occasion surprise if the American who finds new standards competing with those that hitherto he has believed were essentially his own, looks with a kindlier regard on his Canadian neighbors, for in him many of his own ideals are coming to maturity.

#### GROWING RESPECT FOR CANADA

There are three factors also in Canadian development which have induced a greater respect in the American toward his neighbor. The first of these factors is the success of the confederation of the Provinces into the Dominion of Canada in 1867. Until that year the American knew only a few provinces dissimilar in race and far

apart. They were still under the control of the Colonial Office. Even British statesmen talked of cutting the painter and allowing them to drift on the American shore. British trade regulations crippled their prosperity, and few visitors who came from the old land to the United States thought it worth while to enter Canada except at Niagara. There was little to see; little to expect in the future. But that state of existence came to an end at confederation. It was a great and very difficult experiment, but it slowly began to succeed. The Northwest was opened up, the enormous resources of all the provinces in agriculture, mines and forests came gradually into sight. Today the scene has changed; the old Colonial status has gone; Canada is the first of the younger nations which, with Britain, constitute the British Commonwealth. By degrees the United States is realizing that a new political phenomenon has come into existence, and that the British Empire of George III has had its day and has been transformed into something far greater. The American respects the Canadian because he is no longer a colonial and has shown political capacity of no mean quality.

A second factor which is reacting upon the American attitude is the rapid development of the vast natural resources of Canada. She is becoming a great field for American investment and is the second best

customer of the United States. Even wealthy New York and Chicago are impressed by the wheat crops of the Northwest Provinces, by the immense output of gold and nickel of Ontario and by the pulpwood potentialities of the northern forests. They are aware that the exportable surplus of American foodstuffs is rapidly diminishing, and therefore that soon their own elevators and stock yards will have to be replenished from the North; they know well that Canada is the only country in the world whose output of gold is increasing, and that now she holds third place in production and may in a few years overtake the United States; also, that many of their greatest newspaper offices are fed from Canadian forests. Facts like these tell. Americans cannot but have respect for a neighbor which in 1925 imported from them \$570,446,325 and exported to them \$469,823,922. Of course Canada for all this has no easy road; her taxation is heavier than that of the United States because of her extravagant transportation construction and of her long participation in the great war. The United States is much less heavily burdened; and for that very reason she has made the way of her neighbor harder, though without set purpose so to do.

A third factor is the effect on the American mind of the great immigration from Canada into the United States. This stream has been flowing for more than three-quarters of a century, carrying in its volume, now full, then declining, then rising again, many of the finest people from every province, with the result that there were in the United States at the time of the taking of the last census 1,117,000 Canadians, a slightly larger body than the immigration from Ireland and equal to that from Poland. To them a kindly welcome is always given with a good share of posi-

tions of responsibility and trust. They are like a cloud of witnesses to the Americans for the land from which they came, casting its shadow of regret indeed backward, but tempering what at times have been too hot winds from south of the lakes. Not only has the average Canadian immigrant into the States been of good quality, as the Americans are not slow to admit, but out of the smaller number of highly trained persons who have cast their lot with their neighbors, there have been some who have reached positions of eminence in and brought distinction to their adopted country, such as Simon Newcomb, William Osler and Jacob Gould Schurman.

#### ATTITUDE OF CANADA TO A BIG NEIGHBOR

It remains to consider a few of the salient features of the relationship between the two countries. Of these probably the most prominent is the impending and imposing magnitude of the United States. It is a mighty neighbor of 120,000,000 to a small people of not quite 10,000,000. South of the line are stupendous



WILLIAM LYON MACKENZIE  
KING  
Prime Minister of the Dominion  
of Canada

activity, vast combines, commercial prosperity, wealth, growth, "go," the power to attract population in such volume from all countries that the sluices have been closed almost to a trickle. North of the line things are on a much smaller scale, growth is slow, emigration heavy and wealth is relatively rare, though average comfort is high. Is it a matter for surprise that the smaller country is attracted by the power and movement of the larger? The ordinary man is influenced by success; and as he counts success there it is. So mighty a nation displaying such wealth fascinates and often depresses those who have no powerful counterbalancing ideals of their own. The astonishing fact is that the lesser nation has not been drawn into the wake of the larger. When a steamer like the Levi-

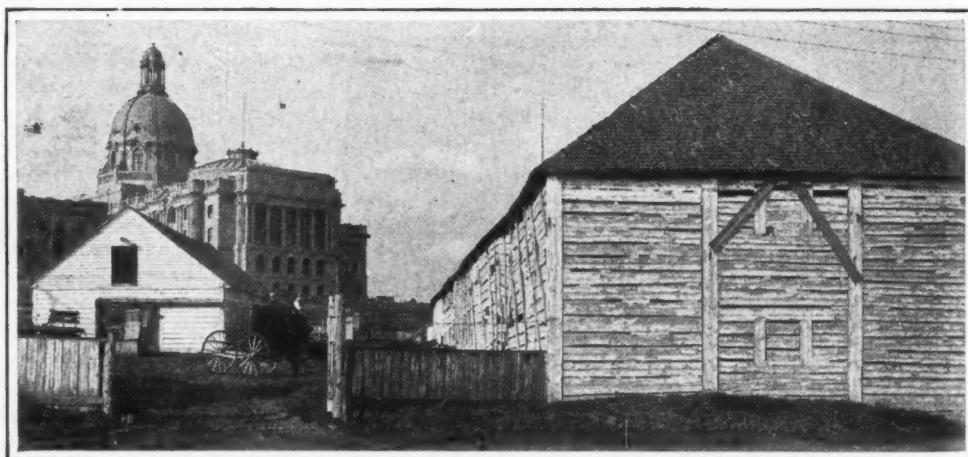
than moves even very slowly past a ship one-twelfth her size, the attractive power of the larger is such that the smaller may find herself forced by suction into damaging contact with her. And yet with care the smaller vessel goes on her way unharmed. So it has been between these two peoples. The Americans are proud of their great Ship of State, but so are the Canadians of theirs, and while the former carry on an immense trade with the world through New York, San Francisco and other ports, the Canadians are building up their own via the St. Lawrence and Burrard Inlet.

It may not be overdoing the parable to draw a likeness between the passengers on the respective ships. Those who have the worldly substance that enables them to take a first saloon passage on the Leviathan are, as a rule, complacently important people. They have everything of the best—staterooms with comfortable beds, sitting rooms, bathrooms, gorgeous public rooms and broad decks with long promenades. On entering port these comfortable folk look down twenty feet from A deck with an indifferent air upon their modest brethren of a small one-class boat. There is a decided difference in the self-assurance of the two groups of travelers.

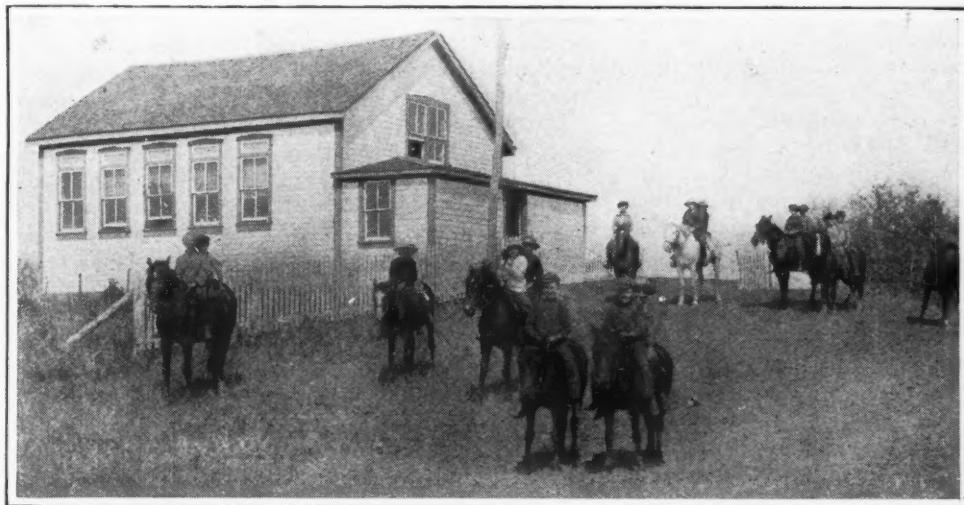
It would carry the application too far to say that the parable exactly fits the rela-

tions of Americans and Canadians. It does not; but there is a kernel of illustrative value in it. Some years ago the great neighbor used to have more than he has today of the upper-deck first-class-cabin state of mind, and then the Canadian from nearer the sea level shot dark glances and not a few angry words as the big neighbor seemed often with indifference to endanger his right of way. Now the harbor routes are clearly marked and there is less risk of collision or attraction. Moreover, the Americans have come to see that the Canadians have a trim ship, that her fittings, cargoes, crew and passengers are both valuable and highly respectable. In fact, as a result of reciprocal emigration, a good many passengers from each country are traveling on each vessel.

The varied effect of the attractive power of the larger upon the smaller is obvious. As has been already remarked, both peoples are inhabitants of the North American Continent and live in similar environments. Hence the likeness of the conditions in industry, trade and social life. Britain is a relatively small island, with an old civilization, a markedly stratified society, an industrialized community dependent for its life on selling in the world's markets and on getting its food from wherever it may be procured most cheaply. Hitherto free trade has been the gospel of her manufacturers. The artisans have been closely



The old fort and trading post (demolished some years ago) of the Hudson Bay Company at Edmonton, capital of the Province of Alberta, and in the background the Parliament House of the Province



Canadian children who go to and from school on horseback

organized into unions, cooperative movements have had a vogue, and paternal Government has cared for public health, provided old-age pensions and support for the unemployed. Much of this has been possible because of the small size of the country and the homogeneity of the population. On this side of the Atlantic the scene is different. The United States and Canada are more alike than either is to Great Britain. Free trade is at present a dead issue in both. As long as the United States persists in having protection Canada must follow her neighbor's suit.

But in other respects, also, this is true. The attitude of the employer to labor in Canada is much more determined by that of the United States than of Britain; so also that of the skilled artisan to unionism. This is due partly to the higher standard of living that the resources of the country facilitate, but not less to the enormous differences in climate, race and employment that exist over the vast continental areas of these two peoples, and to the more fluid state of society. Economic conditions, business methods and social standards become assimilated by the intercourse between the two countries. Every night many well-filled trains go from Montreal and Toronto to New York and Chicago.

A second feature in the relationship of the two countries is the assimilation of the ideas of the average man in Canada to his

neighbor's. This has grown rapidly with the development of transportation and communication of every sort—rail, motor, telephone, radio; and with the necessity for supplying a great variety of amusement for people who are crowding into cities and towns. Theatres, moving picture shows and other forms of popular entertainment are maintained by the exhibition of what will appeal to large masses. Therefore these exhibitions are made to suit the tastes of the great American cities, and they are then passed on to those of Canada. Broadcasting over the radio has widened the constituency of those who are daily made familiar with American points of view. Sports have become internationalized. Competing teams cross the line, the doings of the American experts are followed eagerly by Canadian youth. The daily press of Canada preserves, it is true, a good deal of independence, though much of its foreign news comes through American sources, and newspapers from the United States have small circulation north of the border. This, however, is not the case with weekly and monthly periodicals and illustrated papers. They make the path of the Canadian magazine difficult, and Canadian writers have often found that they had to turn to New York to earn a living.

This rapid survey shows what a combination of factors enters into the process

whereby in trade, commerce, industry, amusements, information, the ordinary Canadian comes under the influence of his mighty neighbor. So powerful has the process been that it may give the American food for thought that the Canadian has retained his individuality. But he has, and there is no sign that it is lessening. He is as independent on this continent as is the Swiss in Europe.

Whatever dark clouds may have swept across the face of the land due to political agitation or commercial antagonism, there has never been anything but the most cordial relationship between those institutions which foster the intellectual and spiritual life—the universities and the churches. The influence of the former and of the scientific associations on Canada has probably been greater than that of the latter. In respect of affording opportunities to Canadian students and sharing with them their scientific advantages the American universities have shown themselves excellent neighbors. Even in material things Canadians are constantly being made beneficiaries on equal terms with Americans, as, for example, in the splendid gifts offered to them by the Carnegie and the Rockefeller Foundations. Intercourse between the university circles is large in volume and rich in quality. The spirit of internationalism, which has always been essential in the national European universities when they have been at their highest, is evident in the greatest academic centres of America. It is well for Canada that her schools of learning have such large-minded and efficient centres of intellectual life in her immediate neighborhood.

When once there is a solid community of ideals between nations it is chiefly in matters of government and trade that they find any acute differences. Such policies, moreover, are frequently determined by persons who, thinking first of their own interests, magnify local affairs which might by conciliation be prevented from developing into difficult international problems. When once a sectional matter is carried to Washington, especially if party or personal jealousies intervene, controversy becomes widespread and embroils a whole nation. Yet it is irrational to embitter the intercourse of peace-loving,

friendly Americans and Canadians by some dispute which might concern only a small distant portion of either community; but that is one of the conditions of nationality. The whole adopts as its own the policy or grievance of the part. Therefore we shall always be subject to spasms of mutual ill-will, until the great body of the people demand that difficulties be solved not in the open, where party politicians keep their eye on any movement that might be turned to their disadvantage, but in a council of disinterested men. Reference may be made to the International Joint Commission. This body of six has quietly and with unanimity adjusted some twenty-five difficult matters concerning the Great Lakes and the rivers that traverse the two countries; the people at large know nothing about it, but by its operation they have escaped many a controversy which would have created bad blood between good neighbors.

Canadians often speak of the irresponsibility that not infrequently attends the conduct of public affairs in the United States. By contrast the Parliamentary system which they have inherited is responsible government. If a Prime Minister agrees to a policy it goes through Parliament, unless he has so misjudged the situation as to enunciate something on which the Opposition can overturn him, because they believe that the country is not in favor of it. But Canadians are never sure how far the statesmen of the United States, notwithstanding their ability and prestige, are able to speak for the nation. Even the President may be thwarted by the Senate, and the representatives of the other house do not follow any party leader. They are aware that Americans accept this system of checks and balances as suitable for the conduct of their own affairs, but they believe that the dealings which they have with one another as neighbors would issue more smoothly if they were entrusted to the statesmen on both sides who feel the duty of preserving friendly relations. Very few indeed of the great leaders of the English-speaking world, if left to themselves, would allow international good-will to suffer. The greater the kindness and mutual understanding of the common people and the larger the responsibility of outstanding leaders, the safer shall we be.

# The American Farmers' Revolt

## I—Economic Causes

By ARTHUR CAPPER

United States Senator from Kansas

FARM profits are inadequate. That is the main thing wrong with American agriculture. Most other troubles trace back to this source. This situation has resulted in the last five years in the exodus of more than 1,000,000 people from the farms to the cities, in a time when the population of the country increased 7,000,000. Apparently we are destroying our country civilization, which from the days of the "embattled farmers" at Concord has been the bulwark of the nation in times of trial. Is such a policy wise, from a national standpoint, when viewed from the long trend, as it dips into the future and untried years?

Farming represents a capital of \$59,000,000,000. The return on the investment last year was about 3 per cent. Five years ago the value of this business, according to the United States Department of Agriculture, was \$79,000,000,000. This represents a depreciation of \$20,000,000,000, or \$4,000,000,000 a year, in a time which has witnessed phenomenal prosperity in every other pursuit. Doesn't this pretty well eliminate the claim—which is always irritating to folks who really know the economics of agriculture—that the farmer's trouble is due to his failure to "write off" his inflation? Just how much, might I ask, is he expected to write off? Are we going to allow this epoch of hard times for farmers to be continued until they depreciate their property 100 per cent. and the last of them have moved to the more

profitable refuge of the territory along the great white ways?

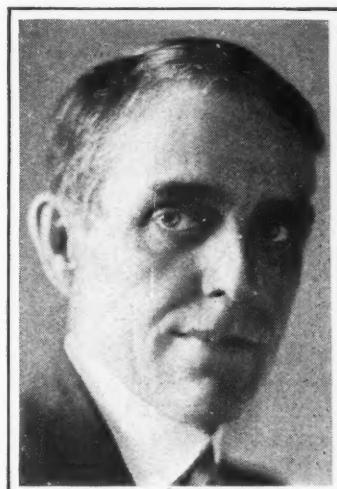
For every dollar of national income received by workers in other activities the farmers of the United States receive less than half a dollar per capita, according to the National Industrial Conference Board, which recently concluded a year's study of the agricultural situation. In the

ratio of a dollar of the national income received by other workers the farmers' per capita share, the board's report stated, was as follows:

1920.....	\$0.39
1910.....	.41
1900.....	.46
1890.....	.36
1880.....	.31
1870.....	.40
1860.....	.38
1850.....	.31

The report of this National Industrial Conference Board, composed of nationally known business and banking executives, shows that in 1924 the average annual net income of the farmer was \$730, as against \$1,250 for the common laborer, \$1,678 for preachers, \$1,298 for teachers, \$1,650 for Government employees and an average of \$1,450 for all walks of life outside of agriculture.

The report declares that if American agriculture continues to lag in comparison with the general economic development of the country it will be a matter of consequence to industry, finance, general business and the nation as a whole. Since 1900 exports of agricultural products have been decreasing and imports increasing. Production of farm products has not kept



ARTHUR CAPPER  
United States Senator from  
Kansas

pace with the population growth. The board declares that this weakened position in meeting foreign competition at home and abroad has resulted from a tendency of expenses to rise more rapidly than prices received by the farmer for his crops. It points out that overhead capital costs, including taxes and interest, between 1880 and 1900, increased 605 per cent.; from 1900 to 1910 the increase was 100 per cent., and it was nearly 600 per cent from 1900 to 1920. Since 1900, the report states, farm labor cost has gone up 90 per cent. Between 1900 and 1920 there was an increase of 116 per cent. in the operating costs per unit of production, covering materials and products purchased by the farmers. While combined costs per unit of product rose more than 300 per cent. in twenty years, the report states, wholesale prices of farm products increased only 120 per cent. The direct result of this is that the farmers are working on a narrower margin of profit and their incomes have been steadily decreasing.

The average earnings of the people engaged in farming is 23.1 cents an hour. Factory workers get 56.1 cents, railroaders 58.3 cents, anthracite miners 83.4 cents, workers in the building trades \$1.05.

#### FARMER AT ECONOMIC DISADVANTAGE

The report of the National Industrial Conference Board indicates the necessity for giving constructive attention to the problems of agriculture, some of which today are acute. The farmer is fighting an unequal battle, because he is not strongly fortified to resist unfavorable marketing conditions and has but little control over the sale of his production, and because so far he has been unable to act as a unit. This industry is so essential to the prosperity of the nation, so vital to all persons in other industries, that it should be given every help until it is placed firmly on its feet. Agriculture does not wish to be patronized or subsidized. All it asks is a square deal and an opportunity equal to that given other industries to make good. If it has the same chance it will do as well.

Let us examine the situation from the standpoint of index prices. If we take 1913 as the base of 100, we find that in 1924 wheat was selling at 139 per cent.,

corn 145, hogs 100, cattle 96. During the same year some of the main things a farmer must buy had a percentage like this: Clothing, 190.9 per cent.; building material, 175.1; household furnishings, 172.8, and metals, 134.5. The average index of all agricultural products in 1924 as compared with 1913 was 134 per cent. The average for non-agricultural products in the same year was 161.6.

Thus the real trouble stands disclosed—a differential of 27.6 against farmers. And let it be proclaimed from the rooftops that this disadvantage is not due to the farmer's "extravagant habits," nor to his "improvidence," nor to "too many automobiles," nor to "too much instalment plan furniture," nor to "too many bathtubs." Nor to any of those things to which a farmer's business troubles are not infrequently so glibly attributed by people who are either ignorant or who wish to mislead the general public. This adverse position is not due to too much of anything—for the farmer has not had too much of anything in the last five years except grief—it is due to too small proceeds when he sells his commodities.

The farmer thus stands revealed in his economic disadvantage. He cannot, under the existing system, be assured of the cost of production, yet by legislative fiat we have decreed that railroads shall have a return of 5.75 per cent. on their investment. Moreover, we have stabilized the manufacturers' prices and profits and labor's wages by protective tariffs, and we have protected labor in its entirely proper enjoyment of the American wage and the American standard of living by drastic immigration restrictions.

Yet there is a disposition to criticize the farmer when he asks the Government to give the farming industry the same sympathetic consideration it has repeatedly, and in the main entirely properly, given other groups in the national community. He is entirely too frequently described as a "radical." Nothing is further from the truth. The Western farmer is not "radical." In general the Western farmer is a sober, clear-thinking, straight-voting kind of man; he is no more radical in his thinking than is the average business man. The farmer is simply determined that his busi-

ness shall be put on a more dependable and stable basis. In bringing this about he should have the earnest cooperation of every thinking citizen. He is asking for no special favors, no subsidies and no paternalistic experiments. He is merely asking equal consideration. Surely none will deny that he is entitled to that.

In getting down to an item-by-item study of the causes for the economic débâcle of agriculture we find that to one evil—excess or surplus production—may be traced some of the most serious ills. It is largely responsible for the symptoms of inadequate returns, discontent, discouragement, debt and the inability to make progress because of a lack of means, so evident in the farming industry.

When there is a surplus produced of any crop above the needs of the home market, this excess production, of 10 to 20 per cent., or perhaps less, places the price for the whole crop on a world level. We have a tariff on wheat, for example, of 42 cents a bushel. Obviously, it would have no chance to function when we are exporting the great bread grain, for there would be no imports. Meanwhile the farmer must continue to buy in a protected market. And right at this point there is a place for action.

#### NEED OF EXPORT CORPORATION

Agriculture must be placed squarely under the protective system. Our tariff must apply effectively to agricultural surpluses, otherwise its beneficent protection is likely, I fear, to be removed from our surpluses of manufactured products. Few farmers, I am glad to say, subscribe to a program of arbitrary price-fixing by the Government, or other purely political expedients that are unsound and impractical. While the Government should not engage in the buying and selling of commodities, nor in the arbitrary fixing of prices, certainly it can take a more active part in finding a better market for our agricultural surplus, for it is obvious that the surplus must be provided for before a stabilized agriculture can be assured. This can perhaps best be handled by an export corporation, which will move the surplus production abroad, and allow the loss to be spread evenly over the entire crop. This would enable wheat,

for example, to get the full tariff protection of 42 cents a bushel on the 650,000,000 bushels a year which we use in the United States, after we had sold the surplus of perhaps 100,000,000 to 200,000,000 bushels in the world markets.

Several bills have been introduced into Congress to help bring this about. Perhaps the Dickinson bill has encountered the most favor. I do not know whether it will command enough votes to make its passage possible, but I do think that the export corporation plan is practicable and that something can be done along this line which will have real results in putting agriculture on a more satisfactory economic plane.

Cooperative marketing is a sound and proper activity for the farmer, and it is making real progress; about \$2,500,000,000 worth of agricultural products are handled in this way every year. But the cooperative movement alone and unaided cannot, for many years at least, solve the surplus problem. It will take an export corporation, started by the Government, to handle it.

I think that some helpful results along this line may be expected soon. It has appeared strange to American farmers that nothing has been done here, while the coffee planters of Brazil, with the help of their Government, can get a fair price for their product and control the surplus. Peons in Yucatan get a profitable price through an export restriction on sisal, and they make the farmers of the United States pay for it, while they must suffer from every surplus they produce. Naturally, our farmers cannot see why the same protective system should not be applied to their products.

Farmers must have a substantial readjustment in freight rates. I hope that the inquiry now being conducted by the Interstate Commerce Commission under the Hoch-Smith resolution will result in a revision of the entire freight rate structure of the country and place transportation costs on a basis that will be fairer to agriculture. Not only is agriculture not in a position to assume increased burdens—it is unable to carry the freight burdens now levied. The general level of freight rates is not too high. What is asked is not a

flat reduction, but a revision of the entire rate structure which will remove the preferential rates favoring the large industries and cities and the discrimination that exists against the smaller towns, which are the farmer's shipping and receiving points.

#### BANKING SYSTEM INCREASES BURDEN

The farmer still feels that our banking system is not meeting the needs of agriculture. It may serve fairly well in normal times, but too often he finds high interest rates and "hard-boiled" banking practices applied to agriculture at a time when he is least able to carry the burden. Inadequate finance for agriculture is responsible for a large share of our business troubles of the last four years. The Intermediate Credit System, as well as the Federal Reserve System, needs to be liberalized.

In other directions, too, the farmer is interested. He would like to see prompt action in the development of the inland waterways—the St. Lawrence-Great Lakes, Mississippi, Ohio and Missouri projects. Agriculture is much concerned over the delay at Muscle Shoals, and it would like to see this plant put in condition for the production of fertilizers at once. Farmers

think the country should go slow in developing new irrigation and reclamation projects.

Something should be done in the matter of farm taxes. In general they are too high and out of line with taxes on other property. From 1914 to 1925 they increased 140 per cent! Agriculture is in no economic condition to carry the terrible load of taxes it must haul today.

Emergency relief is necessary, but the vital thing is to develop a national agricultural policy that will put the business of farming on its feet, assure it of a reasonable opportunity to make a fair profit, and so safeguard the food supply of this nation and its basic prosperity.

I feel that we must make progress, and that soon, on these major problems which confront agriculture. The business must be placed on a basis where it will hold the best of its young people, instead of being left in its present miserable condition, driving them to leave for the glitter of the white lights of the great congested cities. More than this, a prosperous and contented agriculture is essential as a basis for progress, if the United States is to keep its position of leadership among the nations of the world.

## II—Political Consequences

By R. L. JONES

Department of History, University of Pittsburgh

LAST year the farms of the United States yielded a return of only 2 per cent. on the assessed valuation of the land. The American farmers are carrying a mortgaged indebtedness of approximately \$7,000,000,000, or more than one-third of the entire agricultural capital of the country. This enormous mortgage is carried at an average interest rate of 6 $\frac{3}{4}$  per cent. Government reports estimate the 1924 corn crop at 588,000 bushels less than that of last year, but for the smaller yield the farmer received nearly \$500,000,-000 more than for the 1925 crop. The wheat and cotton crops for the two years also show the producer received more for

a smaller yield in 1924 than for a much larger one in 1925. In the past five years there has been a 10 per cent. decrease in the number of farm owners between the Mississippi River and the Pacific Coast. The purchasing value of the farmer's dollar in 1925 was only sixty cents as compared with 1913. In Kansas more farm foreclosures have occurred in the last five years than in the remainder of the present century.

This distressing condition is not confined to any single State, but is true of the entire agricultural area. In 1921 farmers availed themselves of the bankrupt law to the number of 15,000; in 1922, 22,500;

in 1923 there were more than 34,000 and in 1924 upward of 41,500. The figures for 1925 are not available but it is certain with wheat, corn and cotton in many cases marketed by the farmer at a price less than the cost of production, the rate of production has materially increased.

There are at least 10,000,000 farmers in the United States. These people saw the financial breakers for which they were headed and sought to avoid the calamity. Much thought was given to the situation and eager search was made for a solution. To control the amount of agricultural produce going to the market was known to be impracticable. The small scale upon which a great amount of farming is done and the consequent narrow margin between "a living" and want places holding by the producer without the category of remedies. It was necessary to seek some other means to prevent glutting the market. Many expedients were suggested but legislative obstacles stood in the way of those that could be made immediately effective. Thus in whatever direction he sought relief the farmer was confronted with inadequate markets or legislative obstacles.

#### THE PRESIDENT'S POLICY

There was confusion and disagreement among the best informed and clearest thinkers as to what would be most beneficial to the industry. As the time for the meeting of the Sixty-ninth Congress approached pressure was brought to bear upon the Administration and party in power for legislation designed to relieve the farmer. The Administration, after careful consideration, determined its agricultural policy. The day Congress convened, the President addressed those interested in the agrarian industry of the nation at Chicago, and declared the need of the farmer was a demand for his surplus products—not additional legislation. The remedy lay in the restoration of markets, which the President pledged his Administration to attempt. Two of the suggested remedies, reduction of the tariff and governmental regulation of prices, were condemned as based upon unsound economic principles. The tariff, it was urged, had been and was a great help to agriculture. Governmental regulation of prices would

result in untold evils to the farmer, as the figure fixed by law would tend to become the maximum price no matter what the economic situation might be. It would also necessitate an increased national expense which would be manifest in a higher tax rate.

The day following his Chicago address the President sent his annual message to Congress. In this he pointed out that some parts of the agricultural sections were depressed, others were suffering little, while certain portions were prosperous. He described the situation as complex, consisting of several difficulties that must be attacked one problem at a time. He suggested the partial remedial effect of co-operative marketing and stated the Administration desired to aid in this enterprise. He continued:

Meanwhile the Government will continue those activities which have resulted in an unprecedented amount of legislation and the pouring out of great sums of money during the past five years. The work for good roads, better land and water transportation, increased support for agricultural education, extension of credit facilities through the farm loan boards and the intermediate credit banks, the encouragement of orderly marketing and a repression of wasteful speculation, will all be continued.

The President in conclusion reiterated his belief in the general prosperity of agriculture, with temporary depression in certain restricted areas. He said there was every reason to believe an era of unprecedented agricultural prosperity was immediately before the American farmer.

When members began to assemble in Washington to await the opening of the first session of the Sixty-ninth Congress, tax reduction held the predominant place in public discussion. Congressmen talked of the tax bill almost continuously, and it was evident the proposal was supported or opposed by most of the members from agricultural districts upon their appraisal of it as a farm relief measure. It became more and more evident that the main concern was the amelioration of the evil conditions surrounding the farmer and the agricultural industry. Congressmen were not left to be guided by the impressions gained before leaving their constituents. The position of the Administration as laid down in the President's Chicago speech

was immediately challenged. In different ways and through various sources the agricultural interest made its unconvinced attitude known. Complaints began to multiply. Representatives of probably a million farmers met in Des Moines, Iowa, on Dec. 21 and condemned the President's policy. The Legislature of Kansas by a concurrent resolution expressed that Commonwealth's condemnation.

#### RELIEF BILLS IN CONGRESS

The activity in the interest of the agrarian industry was quickly manifest in Congress. Bills relative to our foreign relations were discussed and deliberated upon as farm relief measures. When the Italian debt funding agreement was presented to the House for its approval a long debate ensued concerning the value of the proposed settlement as a cure for American agricultural ills. In the discussion it was brought out that the Administration believed foreign demand for American agricultural surplus was the only general remedy. Therefore creditor nations had been urged to fund their debts to the United States on the basis of their present ability to pay. Secretary Mellon had gone on record as believing that the whole debt was worth less in money to the United States than a prosperous Europe would be as a customer. He believed Europe, if restored to a sound financial basis, would soon buy enough of our surplus to relieve all depression on this side the ocean. The bipartisan debt funding commission was of the same opinion.

Representative Crisp of Georgia, a Democrat and member of the Debt Funding Commission, defended the Italian settlement before the House on the ground of its inevitable aid to agriculture. He declared that Italy was one of the best cotton customers America had, consuming \$125,000,000 worth annually before the war. Her almost sterile soil produced only about half the food consumed by the people, but her national financial condition was so bad she could not buy the cotton, wheat, meat and other foodstuffs needed. In spite of her financial uncertainties during 1924 Italy imported more than \$200,000,000 worth from the United States, \$72,000,000 worth of it being cotton and

\$60,000,000 worth of grain and meat. Mr. Crisp declared:

This Congress is filled with bills seeking agricultural relief, all kind of artificial means, price-fixing schemes, and schemes of every character because we all know American agriculture languishes. We want to help agriculture. Personally I do not believe those bills will do it. What agriculture needs—and it needs it badly—is an enlarged market for its surplus products.

Representative Green of Illinois, Chairman of the Ways and Means Committee, also expressed his conviction that this agreement would create an increased demand for American agricultural products.

The opposition admitted that increased foreign demands for agricultural surplus would help, that Italy imported from the United States one-third of her wheat, 91 per cent. of her cotton and 62 per cent. of her wool. However, they believed the settlement virtually canceled \$1,500,000,000 of the Italian indebtedness to us. A large share of this enormous sum the farmers would necessarily have to pay in taxes. For that reason there were doubts as to the farmer profiting by the increased foreign demand for his surplus produce. Representatives to the number of 133, most of them from the agricultural districts, cast their votes against the measure because they feared it might tend to penalize the American farmer. This is an eloquent commentary upon the lack of agreement and understanding in the country at large of the agricultural situation.

Debate on the Italian debt funding agreement cleared the atmosphere and eliminated from serious consideration all but two proposals for curing the agrarian ills. The stockmen and wheat growers appear to believe a proper manipulation of the tariff schedules would destroy the evils besetting their industry and bring a return of prosperity. The corn and cotton producers favor prices fixed by the Government. This is the alignment in general. However, there is yet much uncertainty in the minds of many and the division is not clear-cut and distinct. There is the possibility, even probability, of a fusion or at least cooperation between the two groups on any question affecting the agricultural situation.

Pathetic descriptions of the condition of agriculture hampered the progress of the

House little between the disposal of the Italian debt settlement and the submission of the cooperative marketing act. However, with the introduction of the latter the distressed farmer again took the centre of the stage. This was an Administration measure designed to encourage cooperative marketing of agricultural produce, a remedial measure for long-standing evils. The bill placed the cooperative farmers' organizations under the Department of Agriculture, and permitted them under the regulatory control of the Secretary to do things that might technically be a violation of the Anti-Trust laws. There was no serious objection to the bill, though much criticism because it did not go far enough in extending aid. Every one recognized the measure might help the farmers to a certain extent, and it was also acknowledged to be in line with the Administration's policy as announced in the President's message when he said that "agriculture is a very complex industry. It does not consist of one problem, but of several. They cannot be solved at one stroke. They have to be met in different ways, and small gains are not to be despised."

#### TARIFF AND GOVERNMENT PRICE FIXING

The Agricultural Appropriation bill was taken up in the House on Jan. 26. There was much speechmaking, but very little information was disseminated. Apparently politics had made the agricultural situation dangerous to handle on the floor of the House. A majority were willing to accept the bill as embodying the views of the Secretary of Agriculture, upon whom the responsibility was placed, because, it was said, he had all the available information at his command. In the political manoeuvring two perfectly clear-cut policies were advocated. One, following the lead of the Iowa farmers as laid down at their Des Moines meeting, called upon the Government to fix the price of agricultural produce; the other demanded the extension of the tariff to afford the farmer protection equal to that of the manufacturer.

Representative Little of Kansas was probably the most eloquent and convincing advocate of the Des Moines policy. After citing the fact that farmers of Kansas, Iowa and Nebraska had called upon Congress

to enact legislation to bring relief to agriculture, he declared what those people wanted, and what the farmers everywhere needed, was "a Government-fixed price on their products that will enable them to compete with other industries." Price fixing, it was urged, was as practicable now as in wartime, and would insure the farmers a fair return for the portion of their produce consumed at home, and place the exported surplus upon a competitive basis. The tide in favor of price fixing is running high both in and out of Congress. To the objection that this is an unsound economic principle, attention is drawn to the example of railroad rate regulation and its success in bringing prosperity to the transportation systems. For the advancement of this idea numerous appeals have been made in the House to those interested in farm legislation to lay aside party affiliations and cooperate to secure justice and equal protection for the greatest industry in the United States.

Those who advocate a tariff for agricultural protection suggest what has been called a "competitive tariff" and insist "that the American farmer asks no special favors and begs no bounty at the hands of the Government, but he does demand equal opportunity and a seat at the table around which the economic policies of this nation are determined; he demands freedom from the discriminating legislation that has in the past imposed on him tremendous burdens, and he does demand that the Administration and Congress have and take as much interest in his welfare as the President and Congress take in men engaged in other occupations." The farmers of Iowa recently complained that the Fordney-McCumber Tariff act imposed staggering burdens upon the consumers of the country, declaring that "the act falls as heavily upon the farmer as upon any other class. On the one hand the farmer pays his full share of the heavy tariff tribute upon practically everything he buys, while on the other hand the price of his general surplus commodities is fixed in the world market." This is not a condemnation of the tariff in general but of a specific tariff act, and the tacit acknowledgment of the benefits to the farmer of a plan of protection that would do for him what is being done in

protecting the domestic supply of other commodities. The Legislature of Kansas recognized this and by concurrent resolution called upon Congress to enact legislation to extend the protective system and its benefits to the farmer, which would enable him to receive "an American price for what is consumed domestically, independent of the world price for the surplus, thereby restoring equality to agriculture."

#### SOUTHWESTERN SENTIMENT

From the cotton and cattle country came the same sentiments. Representative Oldfield of Arkansas stated that he was convinced the tariff schedule should be arranged so that agricultural commodities should receive equal consideration with all other American products. Representative Blanton of Texas said that Democrats admitted the necessity for raising a great part of the nation's revenue through the custom houses, but the question was what articles were to be favored. He objected to manufactured articles only "because we have demonstrated to the country that upon most of the products of the farms and the ranches you can raise good revenue and place it in the Treasury for the expenses of this country, and at the same time give a square deal to the farmers and stockmen of the United States." Representative Hudspeth of the same State declared: "I simply

want to place the producer on a parity with the New England manufacturer. That is what I have contended for all the time."

The Senate has concerned itself with the agricultural situation only incidentally. However, Senator Capper is known to have a conviction that something must be done to ameliorate the condition of the farmer.

The farmers contend that their interests have not received the same solicitous care that has been extended to other industries. They demand the righting of their wrongs and in their distress insist upon immediate relief. After much uncertainty they have decided upon certain remedial measures. There is no disposition in political circles to deny equality of treatment to the agricultural industry, but there is a distinct feeling that nothing should be done that might result in harm. There is a caution amounting almost to timorousness in the Administration when dealing with this problem if it is outside the policy laid down by the President at Chicago and in his message. At present it cannot be determined whether this attitude will be carried far enough to induce political co-operation between the agricultural sections of the country. Whether or not this is done, from now until the Congressional election of 1927 is over the dominant note in American governmental and political circles will be the demand for farm relief.



# The Menace of a Treeless America

By STANLEY S. SHEIP

Former Vice-President of the Southern Logging Association

ANY one who has listened to the soothings of a pine must have felt some of the poetry of nature. Blessed is the man who begins life in a little house up on the hillside, where the pines whisper and nod and sometimes seem to howl with the wind. Night spent beneath the eaves of such a house are memories never to be forgotten. But we may have to amend those memories and rewrite our poetry, too, unless the nation really awakens to the consciousness that a treeless America is almost upon us.

The awakening alone will not suffice. We must rise and stir before that unhappy day when the remaining trees are preserved as public monuments. Already there are broad territories without a single tree, where forests once stood. It takes but little imagination to think of some enterprising teacher, fifteen or twenty years hence, directing her class to study between the pickets of a high iron fence one last monarch of that race which formerly reigned over vast areas. Perhaps the fence will bear a tablet for the benefit of the curious, fittingly inscribed with the information, "This is a tree."

In a day when so many, many men and agencies are busily engaged in the business of protecting their special hobby, of "saving" the country in one way or another, it is somewhat hard to move public interest with any appeal in the cause of conservation. But this is a matter that lies close to the public heart, even though the public may not have thought about it. Unless our trees and forests are preserved—they must even be renewed in many places—we shall become the heirs of a great, barren, forlorn country, stripped bare in a scant 300 years of civilization.

Let us overlook for a moment all the far-reaching implications bound up in the question of forests to assure water supply. We need not consider at this time the un-

measured economic aspects. For purposes of conviction—if there should be any doubt whatever—suppose we think of a land bereft of trees, our own land, that was once the richest of all lands in its forests.

When America still was a primitive country, two acres of every five represented woodland. Only a fifth of the virgin timber remains. No less than 300,000,000 acres of forest lands have been converted into farms and the higher value would make a return impossible. We have about 130,000,000 acres in second growth timber ready for the sawmill and as much more in timber that will take years to mature. The residue of 100,000,000 acres is denuded, "sick land." Some authorities believe it to be incurably sick, so thoroughly stripped and swept by fires that the fertility created by the trees has disappeared. Literally it is down to bedrock, although the rock may not be apparent. Much of it has been abandoned and reverted to the States for taxes.

Starting with virgin timber, the deforested land generally has passed through three stages of sawmill psychology. First came the large mill and cut away all the fine, big trees. Afterward dozens of small mills appeared in the area where the other mill had worked its havoc, bent upon gleaning the remnants. And, finally, the paper mill consumed the last twig. There is no prospect more desolate than a region where this trinity of mills has achieved the fullness of ruin. Upon all sides stretch depressing vistas, marked by stumps, charred wood and evidences of needless destruction. Here, indeed, is the skeleton of the forest, withering to dust.

This subject of forests and reforestation presents so many phases, and each phase runs into so many possibilities that it is somewhat difficult to lay hold of one aspect and apply the rule of reason. The

very bigness of the problem has deferred solution until a solution must be had, no matter the pains or the cost. It is heartening to learn that steps toward this result have been taken with a sureness and definite purpose which give basis for the hope of a new and enlightened viewpoint. But the work will be long and the task difficult. Every man that has listened to the music of the pine well may consider the undertaking a part of his own responsibility. And certainly no one shall be debarred who finds inspiration in the majesty of the oak or the lure of mystery in the dark hemlock.

#### THE VANISHING OF OUR TREES

It may be profitable at this time to sketch briefly some of the background and point out the operation of those forces that have led to the vanishing of our trees. From the beginning of lumbering operations in this country the sawmills have followed the forests. That has been an invariable rule, but the new day in the lumber industry promises to bring about another and permanent condition. Instead of being the vagrant industry, the production and manufacture of lumber tends to a regularly established plant in an appropriate centre. We may pause to regret a loss of romance, but we may also hasten to give thanks for the salvaging of our forests.

Wherever the railways and waterways made lumbering possible the sawmills have followed. Even in the '70s and '80s the larger mills had cut the best timber of the East, leaving the rest to the little "woodpecker" mills, hacking away ever since, but in decreasing numbers. When New England, New York and Pennsylvania were denuded in large part of their timber the lumbermen invaded Michigan and its pristine forests. Then from Virginia and West Virginia and States further South lumber rolled to market. Old time lumbermen still talk about the yard-wide boards and the low prices, when a big tree brought a few pennies.

Each year lumber was transported further and further to market, the East continuing to be the principal source of demand. At last the frontiers have been reached, the final timber line is in sight—the lumbermen cannot go beyond the Gulf

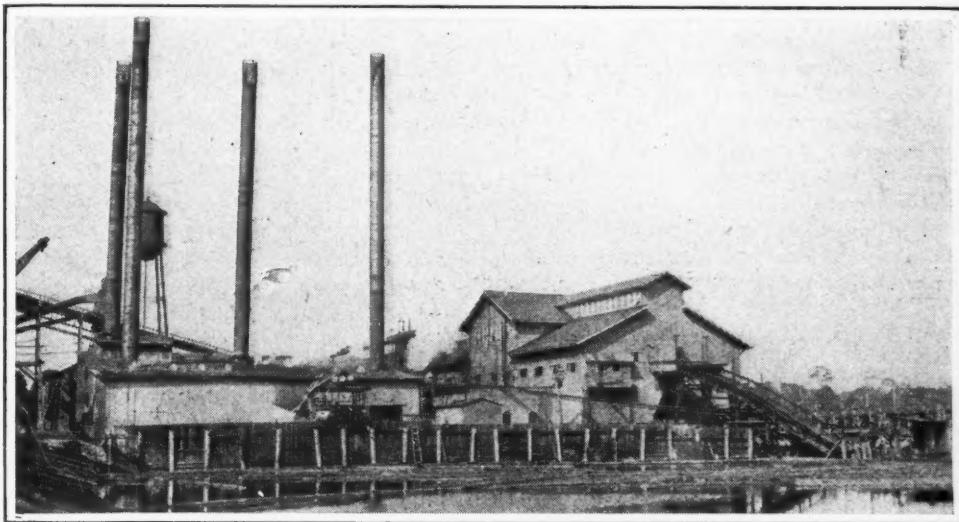
of Mexico and the Pacific Ocean. Louisiana and Washington are our chief lumbering States. Each of them produces over 4,000,000,000 feet of lumber yearly, but the forest reserves of Louisiana do not compare with those of any of the Pacific States, and Louisiana's present pace can last only for a few years, while most of the Western States can continue for twenty-five years or more. All in all, the lumber industry has been compelled by economic pressure to take stock of its one asset and has found it diminishing at a rate to startle anybody interested. From this scrutiny plans have developed that should assure a new growth of American forests.

Plans alone will not accomplish the result. Constant and careful vigilance is needed. The yearly loss in lumber has never been recorded, but the figures would tax our credulity. Each year fires consume an area of forest land larger than the State of Maryland. The bill we pay is \$20,000,000. For each seven feet of lumber taken from the forests, one foot is lost by fire. Beyond computation are the budding trees killed in this way and the value of the fertile forest covering that produces the shoots.

The lumber industry, aside from fire, always has been one of great but unavoidable waste. Breakage in the felling of big trees is considerable. Often they fall into places impossible of access and must be left untouched. Sometimes weather conditions cause rotting before the logs can be moved. At other times market conditions make it unprofitable to move the timber after it has been felled. Windstorms level broad areas and armies of worms destroy myriads of trees.

#### PREVENTABLE WASTE

All these conditions are unavoidable in varying degrees. They might be called the natural hazards of the industry. But the loss from wholly preventable causes is equal or greater. It has been estimated that only a fourth of the cubic contents of a tree ever reach a useful purpose. This means a loss of 75 per cent. in production, which anybody must agree is ruinous. One practice of the industry that seems a shocking waste is the requirement of dealers whereby lumber will be accepted only in multiples of two feet. If



A large lumber mill

the biggest log from a tree yields thirteen feet of perfect lumber, one foot will be lopped off and burned as refuse and the remaining twelve feet shipped to market. All pieces of lumber less than six feet long are burned in the average mill. But owing to the interest and efforts of Secretary Hoover some of this loss is likely to be checked.

The sawing of lumber in arbitrary multiples and the practice of burning smaller pieces becomes particularly aggravating when it is recalled that a large share of that transported to market will be cut into lesser sizes. Thus we have a double loss. The annual wasteage of American sawmills—much of it needless—is not less than 15,000,000 cords, the equal of almost



What the large lumber mill leaves

8,000,000,000 feet of lumber. Some mills erect huge towers in which to burn the refuse left over from their boiler fires. But this same refuse might be shipped to a suitable market at the right time and command an equitable price.

As regards this question of waste, it should be stated that the lumberman regards lumber as an economic evolution, and as soon as it pays to save waste the lumberman tries to do it. Unfortunately, the plants required to salvage the waste are far more expensive than the original sawmill, and only the very large companies can afford to save that waste in such by-product plants.

There is one important fact which should here be noted, viz., that the greatest single item of saving will be in the sawmill joining forces with the paper mill, the latter to get as much of its 8,000,000 cord toll from the 15,000,000 sawmill waste as possible.

These illustrations might be expanded without end. Since nobody denies the annual waste of lumber, it would seem more worth while to point the means to a remedy. Unable to strike out South or West into new areas of virgin timber, the lumberman is pondering his problem. And from him we may expect more substantial benefits than all the efforts of the Government, the States and private agencies. But it is equally true that the aid of these agencies, and particularly a vigilant public interest, will be required.

For the first time the lumberman has ceased to regard the nation's trees as his particular property, awaiting his sawmills in endless abundance. He has come to look upon them—at least he is acquiring the wisdom—as a crop to be husbanded and garnered when ready. He is asking a little anxiously if it will be possible to raise a new crop when the old one has fallen before the axe. He also would like to know if there are not definite zones in which timber can be grown to the best advantage, just as other crops are cultivated. If that assumption should be borne out—and it seems probable—the lumberman has in his mind's eye the possibilities of established plants, centres of kindred industries. By this centralization he would reduce transportation costs, use his by-

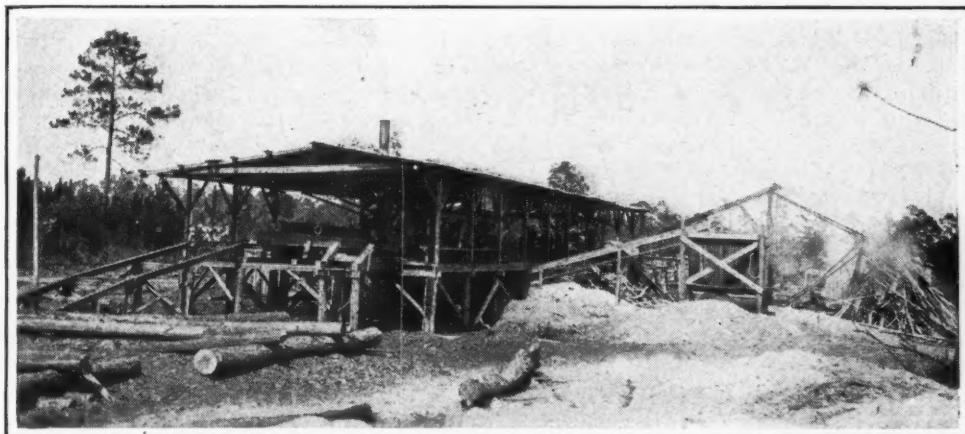
products and overcome a great share of that 75 per cent. waste. Incidentally, he is somewhat worried as to taxation on reforested land and wonders whether Governments of all political varieties will permit him to help recreate that which he has so nimbly destroyed.

While we are considering the lumberman it may not be amiss to point out that he is much like other men; that he ranges from the good to the bad and has more or less intelligence as nature endowed him. We may find in New England impressive proofs of what can be done to renew our trees, while at the same moment lumbermen from another section have denied that commercial forestry is possible. The New England wood lot, a few acres here, a few there in rural sections, yet in sum a sizable total of timber, is an outstanding example of intensive forestry which has paid its way. Massachusetts is cutting some million feet of white pine yearly, raised as a crop during the last generation. This timber is manufactured on the spot into toys, boxes and small woodenware. Lumber manufacturing industries buy the wood lots when the timber is young and tend it until ripe for cutting as a part of their daily business.

#### NEW ENGLAND SHOWS THE WAY

The other side of the lumberman's intelligence was reflected in hearings before a Senate committee when lumbermen from Wisconsin and Michigan almost unanimously declared reforestation impossible upon the basis of business. But the Massachusetts climate and trees are closely related to those of Michigan. A curious condition—the New Englander, compelled by nature to be thrifty of wood, is now growing his own, while the men from Michigan, who inherited such rich preserves of timber, have squandered their riches and despair of the future.

Assume that the cost of cutting lumber in Massachusetts is about equal to the cost in Washington. Then add \$20 freight to the Washington lumber, shipped to the East. Immediately it becomes profitable to use Massachusetts pine that has cost \$20 a thousand feet to raise. And there, like an open book, lies the problem of the lumber business, for any man to read. Until recently the thought of the industry



A small lumber mill. Note the lumber that is being burned on the trash pile

has been devoted to reaching timber in remote places and matching skill of production against freight rates. But that period has practically ended. The timber still standing in measurable quantities is found in the high hills and deep swamps that may be reached only by engineering feats incredible fifteen years ago. The cost of the raw material ordinarily averages less than half the cost of moving it from place to place.

It is not unlikely that we should look

behind the lumberman and our disappearing forests for the fundamental remedy. Undoubtedly a change in building methods has helped to slacken the rate of disappearance. Every great wooden city has had its day of destruction and risen fire-proof from the ashes. Numberless articles formerly made of wood are produced today in tin, paper and similar substitutes. Practical conservation has come about from rising costs, and we may expect a notable gain in that direction.



What the small lumber mill leaves

A forest fire taught the City of Cloquet, Minn., how to use its sawmill waste. Previous to the conflagrations that swept Northern Minnesota in the Fall of 1918, wiping out Cloquet and the forest around it, this town was the white pine centre of America; the conventional, picturesque sawmill town, its shanties and plants hastily erected for a brief stay. Cloquet thought that it had enough pine to last five years, and Cloquet built its house to stay just that long. But the fire wrought wondrous changes. In this situation Cloquet turned its interest to by-products. The industrial community reasoned that an increased value of production from the logs spared by the fire would make it possible to bring those logs greater distances. Such an operation would tend to make the plants permanent and lengthen the life of the community, if not actually insure its existence. The Cloquet of today, after six or seven brief years, has grouped about its sawmills a variety of factories for the conversion of wood waste, producing paper, insulating wood fibre, boxes, artificial lumber, clothespins, toothpicks and many other small articles. Perhaps the wealth that the fire indirectly created will exceed that which it destroyed.

Cloquet typifies the lumber town of the future when we truly understand the conservation of timber. It will consist of a sawmill serving as a nucleus for by-product plans now operating in distant cities. Costs of every kind will be reduced and the chance of happiness for workers increased. The day is not far distant when the majority of wood-working industries will move under the wing of the sawmill and utilize its waste at the point of production.

#### MANY SIGNS OF NEW SPIRIT

In the West a city dedicated to the permanence of Douglas fir has been erected at Longview, Wash. Such a city would have surpassed conception thirty years ago in the heyday of the vagrant industry. Its principal mill cuts a million feet of lumber daily and there is a concerted movement under way to assure a continuance of the supply.

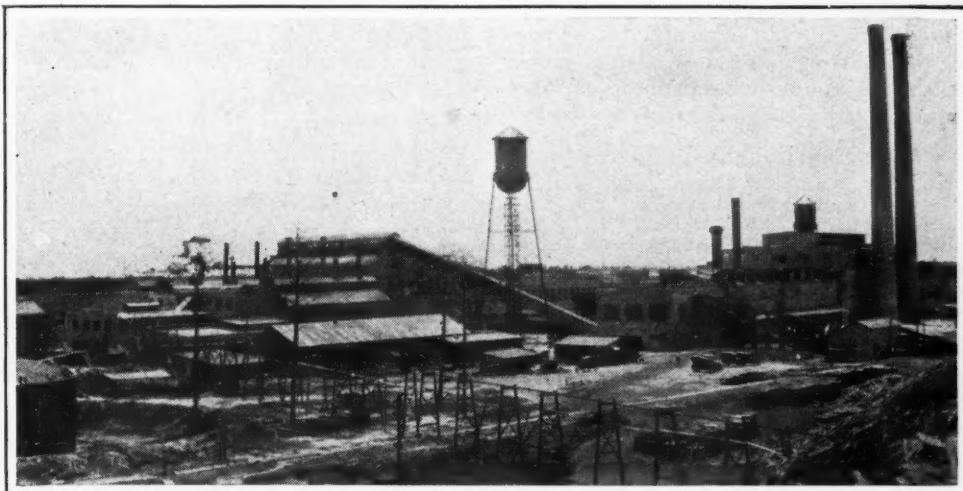
That spirit has spread to the redwood region of California, where representative

lumber companies have fixed upon desirable sites as their permanent homes. They expect commercial timber belts of the future to grow around these plants. With their own lands as a basis and assisted by the wood lots of farmers, they will become not only manufacturers of lumber, but producers as well. These tendencies must lead to important consolidations in the industry. Large capital will be required to carry on broad-scale operations over long periods of years. Lumber will be virtually the last important industry to pass from the individual stage to the corporate.

Two associations of redwood lumbermen have set out several millions of young trees. Not long ago a million-dollar subsidiary of a Western company was formed to reforest timber land in Washington. This enterprise furnishes an interesting comparison with counties in Michigan, Wisconsin and Minnesota, whose whole capital has been destroyed. One-third of Michigan is practically bankrupt, the taxes from the land barely paying the costs of collection, leaving nothing for Government and improvements.

The greatest hope of our permanent timber supply lies in the quarter of a billion acres of low-priced land owned by farmers throughout the country and lumber companies of the South and West. A New England woodlot on every farm should be a prominent feature of a national reforestation program. Each farm contains acres unfitted for agriculture, and the farmer has spare time in the Winter season when he can cultivate his woods. His investment may be said to represent almost nothing—though it is true that he could put his labor to other purposes. And it is equally apparent that he must have some idle time which will yield a return when applied to his woodlot.

If the theory should seem open to dispute that a large sawmill may be made virtually self-supporting from the forest round about, we need but look to Sweden for confirmation. Mills of large capacity in that country are operating on sites where they were established a century before our Thirteen States achieved independence. One of the largest American mills, at Bogalusa, La., has undertaken to follow



A paper mill

this example. Mills in Arkansas and Alabama also have adopted the policy of a permanent plant, aided by the modern devices of forestry and conservation of waste.

Bogalusa was planned as a permanent lumber town. Walking along the wide, paved streets of this growing community of 12,000 people, it is natural to compare such a thriving centre with the traditional sawmill town of the old days. No one familiar with that colorful institution of the past could forget its most prominent features. There was the dejected boarding house, where a motley company met over

"hog meat and beans," an unvarying fare every day in the year. They were hard-working, hard-living men, whose discourse burned with livid figures of speech. The married element of the community lived in "company houses," little more than shacks thrown up against the day that the last of the timber would be cut and the town left to fall apart in lonely isolation.

We could not expect an industry so careless of human life and welfare to conserve our timber. But the old unregenerate days have passed on and Bogalusa exemplifies what a sawmill town may be at its best. Homes, schools, churches and



How the paper mill and fire complete the devastation

playgrounds compare favorably with those of any other town, and it may be believed that the inherent hardihood of the lumber industry has imparted something to Bogalusa not usually found elsewhere.

#### NEW METHODS IN LOUISIANA

There are many interesting things about Bogalusa. The controlling company has reduced its daily cut of timber from 1,000,-000 feet to three-quarters of that quantity, which might seem to be a process hardly compatible with the tendencies of modern business, always bent upon increased production. This policy really reflects the intelligent outlook of lumbering in its later phase, by-products. The company is depending upon the new crop of timber to keep its plant running for thirty or forty years. In the meanwhile it is conserving its assets. Some day the production may be reduced to a quarter million feet.

In Bogalusa the sawmill operators go about their task scientifically. It used to be true that a log was just a log and the sawing depended upon obtaining needed sizes of lumber for market. But the Bogalusa method treats the log as a raw product to be carefully handled. Boxwood, shooks, laths, crating, flooring, strips, molding, cordwood and pulpwood are salvaged from parts of the log classified as waste by the typical mill. The men in charge of this plant are seeking new uses for the scant waste still resulting. One experiment is intended to extract turpentine from pine lumber as it passes through the dry kilns.

Alongside this highly organized plant is a paper mill, heretofore the special enemy of reforestation. Bogalusa has a huge mill, but operated as a by-product plant. It does not slaughter one foot of seedling timber. The controlling company has a forester in its employ and a corps of assistants to prevent fire and replant the land. Last year the company planted 8,000,000 young pine trees and the number should be larger this year. Under the Louisiana law one healthy, mature tree must be left standing as each acre of timber is cut away, to scatter seed for the new crop. On land stripped bare seventeen years ago Bogalusa has a stand of young timber suitable for pulpwood. In twenty years there will be a stand of saw

timber ranging from ten to fourteen inches in diameter. A number of mills in the South are cutting such timber and doing well.

Louisiana has led the way in one important particular that must have a broad influence upon the lumber industry. Under its forestry laws the owner of land who sets aside his acres to await a new crop of trees enters into a contract with the State. This contract provides that he shall cut none of his timber for forty years, and the State reduces taxation to a low point. At the end of that time the land is to be reappraised and returned to the tax rolls. The owner must pay the State what amounts to a royalty on his timber when cut, in return for the remission of taxes.

In the sparsely settled States of the Gulf Coast, excepting a few busy centres, lumbering represents one of the major industries, if it is not the very first. A large portion of the land now forested or which already has yielded its timber is unfit for agriculture and no demand exists for the land if it is suitable. Daily inroads upon the standing timber run into many millions of feet. Unless these States turn attention to the growing of timber they will find themselves in the position of the barren counties already cited.

Evidently the day of reconstruction has begun, although the need of education within and without the industry is acute. The West has a longer time to cut virgin timber than the South and may profit by its experiments. Great holdings by the Federal Government in the Western States have served to crystallize sentiment earlier than the pressure of economic forces. But the need of legislation and education is even more urgently required than in the South.

When we put all these factors together it becomes apparent that the lumberman has a fair assortment of problems to match with those of any other industry. But the future of the nation's forests cannot be measured by the problems of one industry, for it involves the truly critical question of adequate water supply. Even that estimate falls short of the broader consequences. A land without trees would be an America deprived of a rich heritage and left poor indeed.

# Scandalous Methods of Making American Citizens

By IMOGEN B. OAKLEY

Chairman of the Civil Service Division of the General Federation of Women's Clubs

UNLIKE our immigration laws, which have changed to meet changing conditions, our laws governing naturalization have continued much the same throughout our history and have never at any time been based upon a worthy ideal or citizenship. The Naturalization act of 1802, which, with two amendments added late in the century, remained in force till 1906, made no pretense of setting up any standard of intelligence or morality. It provided merely that an alien might become a citizen by testifying that he had lived in this country for five years continuously and by formally renouncing his native land and any title of honor or heredity he might possess. It carried no penalties for evasion or violation and hence had no terrors for such as found it convenient or profitable to disregard it.

The serious consequences of this ineffective act were not immediately apparent, for between 1776 and 1820 the country received only 250,000 immigrants, but between 1820 and the end of the century the pressure of more than 30,000,000 aliens from all the countries of the earth made its weakness the opportunity for systematic electoral debauchery. Political machines thrived and waxed powerful by turning into voting citizens the constantly increasing throngs disgorged from the steerage of incoming ships. The required five years' residence was ignored and aliens were converted into voters whenever controllable votes were needed in doubtful wards. Tammany Hall and its imitators in other communities made an open practice of rounding up foreigners as election day drew near and having them naturalized in droves. Carloads of newly arrived immigrants were taken from one county to another in search of a court complaisant enough to naturalize by wholesale. Fac-

tories for the manufacture of naturalization certificates did a thriving business and furnished papers in any number, of any date, and yellow with age if required.

Theodore Roosevelt, while Police Commissioner of New York City, gained from his own personal experience a realizing sense of the political and social consequences of these electoral crimes, and not the least of his services to the nation was his insistence on the repeal of an act that made such crimes possible and profitable. The act of 1906, which was due to his unflagging efforts, created a Bureau of Naturalization under the Department of Labor and provided for examiners and courts in every Federal district. The alien applicant for citizenship is required under this act to appear before the naturalization court in his district and produce his certificate of entrance, which must be an exact duplicate of the one furnished to the court by the immigration authorities. His identity and legal residence being thus established, he swears that he renounces his allegiance to his native Government; that he speaks English; that he is not a polygamist nor a disbeliever in organized government, and that he has lived in the United States for five years continuously. The two witnesses who accompany him must be reputable citizens and able to swear from their own personal knowledge that his statements are true and that he is in every way fitted to become an American citizen. The act prescribes suitable penalties for such as swear falsely or seek to evade any of its provisions, and it would appear that with its oaths, affirmations and penalties it sets up an impassable barrier between unfit aliens and the rights and privileges of citizenship.

But the American who puts his trust in the law and the courts has had a limited experience or is of a hopeful mind. The

oaths and affirmations prescribed by the act of 1906 are capable of almost as many interpretations as there are courts to do the interpreting, and the impassable barrier, on close inspection, proves to be chiefly camouflage. The alien applicant for citizenship, for example, swears that he renounces his native Government and transfers his allegiance to the United States. The words the law puts in his mouth have an impressive sound, but their meaning depends upon the applicant's age and nationality. If he be of military age, which in Continental Europe is approximately from 18 to 40, his oath of allegiance to the United States means, not that he renounces his native Government, but that he takes upon himself a dual allegiance, with that to the country of his birth holding precedence. Emigrants from countries having obligatory military service, who become naturalized in another country before fulfilling their service and without due permission legally acquired, remain subject to the call of their native Government. Many aliens naturalized in the United States obey the call; many do not; but those who refuse to heed it are, under international law, held guilty of desertion and liable to imprisonment or forced military service should they at any time during their lives return to the land of their first allegiance.

#### NATURALIZED CITIZEN'S STATUS

While protesting from time to time against this disregard of its naturalization, the United States has conceded that the crime of desertion "is not condoned by law, or treaty, and generally not by lapse of time" (Moore's Digest of International Law, Volume 3, Section 40), and formally notifies any naturalized citizen desiring to visit his native country that he goes at his own risk and that the American Government will not be able to protect him should he be molested. A naturalized American citizen, therefore, is not a real citizen, notwithstanding the solemn pretense of the naturalization oath. A typical instance of the situation created by this conflict between national and international law comes from California.

An Italian, who had come to this country when a boy, had had citizenship con-

ferred upon him at the age of 21 and had voted in several elections, found it necessary to return for a short time to his native land. Being perfectly aware of the attitude of Italy toward American naturalization, and being duly warned by the Department of State when he applied for a passport, he knew that in returning he rendered himself liable to arrest and punishment as a deserter. He therefore appealed to the King of Italy through the Italian Ambassador in Washington for a pardon. After the winding and unwinding of much Italian red tape the Ambassador was able to inform this naturalized American citizen that the King of Italy had been graciously pleased to pardon his crime against his King and country and that he would be permitted to pay his proposed visit without fear of arrest. And the United States stood by and had nothing to say.

The applicant for citizenship swears that he speaks English, but how much English must a man speak to speak English? When an applicant answers "Yes" or "No" to the examiners and the Court, he speaks English words and not a few Judges have decided that to pronounce these two words is speaking English within the meaning of the law. In one instance on record an applicant was reported adversely by the examiners on the ground that he knew nothing of the English language. An applicant reported adversely is given a personal hearing by the Court instead of being passed in the usual group, and this particular applicant was assured by his lawyer that if he were willing to pay \$100 it would be made possible for him to pass the hearing successfully. It was accordingly arranged that when his case was called one of his witnesses should stand very close to him and when the questions of the Judge required a "Yes" the witness would "poke him in the ribs," but when a "No" was to be the answer he would not be touched. The "Yes" the applicant could not pronounce was to be a nod and the "No" a shake of the head, and by these two movements the applicant was able to satisfy the Court that he spoke and understood English. In another court, where the applicant had similarly nodded and shaken his head an observant spectator said to the Judge: "That man to whom

you have just given his papers does not speak English." "He nodded his head in English," answered the judicial manufacturer of citizens.

In a New York district an applicant who could neither speak nor understand English was reported unfavorably by the examiners, but when the Judge who passed upon his case learned that the man had six children in the public school he handed him his certificate, saying that an alien with six children in the public school was an impressive sight and that no such man could go very far wrong as a citizen. It evidently had escaped the memory of the Court that the State of New York has a compulsory education law, and that the applicant in question had been given no choice as to whether his children should or should not attend school; moreover, granting that an alien obeying the laws he has sworn to uphold is an impressive sight, is it speaking English to have six children in the public school?

Mr. Roosevelt was quite aware that diversity of legal interpretations was making meaningless the oaths required by the Naturalization act he had sponsored, and his last public utterance was an appeal to his countrymen not to let their heritage degenerate into "a polyglot boarding house." His vigorous phrase was not unjustified, for not only do applicants who speak no English succeed in worming through the meshes of the law, but the naturalized citizens who act as witnesses may know less of the language of the country than the men whose oaths they corroborate and may have even less comprehension of the American system of government. I said to one such witness, an Italian who had lived in this country twenty-two years and yet understood and spoke but a few English words, "Do you vote?" He puzzled for some minutes over

the words, but finally his face relaxed into a smile and he replied, "Oh! Vot-a. Si, si, alway, alway vot-a." It was the answer I had expected and I had my next question ready: "Who tells you how to vote?" Once more he puzzled, and I was obliged to repeat my question several times and in various forms before he could grasp its meaning; but again his face lightened and he answered with a beaming smile,

"Big-a boss, he tell-a me."

He came back to me later with an explanation. "Mak-a mistak," he said. "Not big-a boss, divis-a lead-a, he tell-a how vot-a." And his radiant countenance as he rectified his error was evidence of his conviction that in doing the bidding of the "divis-a lead-a" he was fulfilling the whole duty of an American citizen. I put the same two questions to a number of other witnesses, chiefly Russians and Poles, and equally with the Italian unable to speak more than a few detached English words, and the invariable and scarcely understandable answers were: "Big boss, he tell how vote."

As the act of 1906 provides no standard whereby the alien's knowledge of English may be judged, so it demands no proof of intelligence. The immigration laws exclude the idiotic and insane, but no naturalization law as yet has defined where feeble-mindedness ends and the intelligence requisite for citizenship begins. The Bureau of Naturalization goes beyond the letter of the law in encouraging its examiners to ask a few rudimentary questions relating to the Government, viz: What is the capital of the State? What is the body that makes the State laws? What is the name of the Governor? What is the capital of the United States? What is the body that makes the national laws? What is the name of the President? How many stripes on the flag? How many stars? What do the stars represent? If the ap-



Wide World, from Harris & Ewing

HARRY E. HULL  
Commissioner General of Immigration

plicant responds fairly well to these simple demands upon his knowledge and in English more or less intelligible, he is passed on to the court with a favorable recommendation, yet it is obvious that an alien may answer such elementary questions correctly—though he seldom does—and may still lack the faintest comprehension of the ballot which the law forthwith places in his hands.

#### IGNORANCE—LOW MORAL CODES

For the past ten years the Naturalization Bureau has been cooperating with the public schools in the endeavor to give alien adults some slight knowledge of the English language and a glimmer of understanding of our methods of government. The officers of the bureau feel that much good has been achieved, but they do not deny that the majority of these adult students seldom join a class until they are ready to file their petitions. As this is done only ninety days before they appear in court, the period of instruction cannot be more than eighty hours, and the adult who enters a class with no knowledge of English gets barely enough information to bungle through the official examination and the thinnest possible veneering of what we like to call "Americanization." An acquaintance told me that quite recently she acted as witness for her "Americanized" chauffeur who had filed his petition for citizenship in a county court. He was asked, "What is the name of the President of the United States?" and he replied with eager assurance, "Pinchot." He knew that Congress is the law-making body of the country, but when asked to name the two divisions of that body he answered, "Senator Pepper and the House." The Court, needless to say, a Pennsylvania Court, ruled that the applicant had shown sufficient knowledge of the Government to qualify him as a citizen, and he will vote at the next election.

The alien applicant for citizenship swears that he is of good moral character, but he and his witnesses may have a standard of morality quite different from that of the intent of the law or that imposed by the customs of the country. A district nurse told me that the immorality among

the foreign-born miners in a coal region to which she was assigned is such that a reputable person has no words to describe it. The men frequently, openly, and as a matter of course, rent out their wives and daughters for immoral purposes. Many of them have been naturalized on their oaths that they have obeyed and will continue to obey the laws of the land, and the required number of witnesses have sworn that the applicants were to their own personal knowledge of good moral character. These witnesses were probably compatriots of the applicants and quite as probably as unmoral as the men for whom they testified, but how were the examiners and the Judges to know it? Lack of time in the congested courts, lack of examiners to make the necessary investigations and lack of a standard of morality in the law demand the acceptance of the sworn statements of applicants and their witnesses.

The applicant for citizenship swears that he has lived in the United States for five years continuously, and it would seem that here at last is a simple statement incapable of two interpretations. Far from it. The meaning of the words depends upon the Judge's understanding of the applicant's intent. Continuity of residence is a matter of intent, and excellence of intent is a legal substitute for actual residence. Some courts have held that an actual residence of six months within the required time fulfills the spirit of the law, provided that the applicant's original intent was to remain here for five consecutive years. Others have insisted upon a residence of two or even three consecutive years, and there are those who have ruled that "continuous" and "consecutive" have the same meaning in law that they have in the dictionary. An Italian once presented his petition for naturalization to such a court. He had filed his declaration of intention and then had returned to Italy, where he had served in the army. After two years of military service he came back to the United States with a wife and child and asked for citizenship on the ground that he had been a soldier in the Italian Army against his will and that his intent had always been to live for five consecutive years in this country. The Judge decided that his intent, however strong, could not

cover two years of absence, combined with actual military service under the King he had repudiated, but there is nothing in the law to prevent that applicant and others in the same position from moving to another State and laying their petitions before another Judge, who might give a more elastic interpretation to their intent.

The court procedure in congested districts where there is steady pressure for naturalization suggests a reversion to the kindergarten methods of the discarded act of 1802. Applicants reported favorably by the examiners are admitted into the court in blocks of fifty. The fifty applicants are accompanied by their one hundred witnesses. The witnesses stand on one side of the court room and the candidates for citizenship on the other. The Judge asks the hundred witnesses: "Do you know these candidates?" The hundred witnesses answer in chorus, "We do." The Judge then asks, "Are they qualified for citizenship?" The witnesses respond, "They are." The Judge then turns to the candidates and asks if they are ready to take the oath and they hold up their hands and take it. The Judge may or may not make a few perfunctory remarks on the duties of citizenship, and the ceremony is over and that block of American citizens is dismissed to be voters at the next election and another takes its place, to be followed by another until all the cases have been disposed of.

Mr. Albert Johnson, Chairman of the House Committee on Immigration and Naturalization, said, in commenting on this group process of making citizens, that it is "as nearly a machine as a thing can be and still be human," and yet there are sentimentalists, both native and foreign-born, who believe that justice to the aspiring alien demands an even simpler and speedier method of turning him into a

voter. Suggestions for the simplification of the present process pour in upon the Committee on Immigration and Naturalization, the most interesting one on record being as follows: "For the convenience of foreign-born workmen, the naturalization service should be put on wheels and moved about among the mills and factories."

Some 601,657 aliens filed declarations of intention and petitions for naturalization during the fiscal year ended June, 1924, a larger number than in any year since the organization of the Naturalization Bureau. The staggering burden laid upon the bureau has been added to by the Quota act, which gives preference in admission to the wives, fiancées, children, parents, sisters and brothers of a naturalized citizen or one who has taken out his first papers, and the majority of the vast army of 601,657 applicants are pressing for official action because they want their relatives given preference over those of entire newcomers. The total number that may be admitted lawfully under the Quota act



Harris &amp; Ewing

**RAYMOND F. CRIST**  
Commissioner of Naturalization,  
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Labor

is about 350,000 annually, but as many more—a thousand a day, according to the immigration authorities—are being smuggled over our 10,000 miles of ill-guarded border. Until quite recently, aliens who succeeded in smuggling themselves over the border were permitted to declare their intention of becoming citizens on exactly the same footing with those who had entered legally. "Nothing," testified the naturalization officer for Chicago in 1921, "prohibits a man from being naturalized because he slipped in. He might be as good as another and there is nothing in the statutes that prevents him from applying for citizenship."

Naturalization courts must always be on their guard against bribery and false wit-

nesses, and the burdens of the examiners are multiplied by the necessity of keeping a sharp lookout for applicants whose witnesses have been furnished by exploiters and "runners." These exploiters and runners are for the most part of the second or third generation of naturalized aliens and have studied a little law for the purpose of profiting by the ignorance and credulity of newly arrived immigrants. They hunt out, each his own race, picture in glowing colors the advantages of citizenship and offer "to put them through" for \$5 or \$10, or as much more as can be extracted from their victims. Professional witnesses hang around every naturalization court ready for a few dollars to swear to an intimate acquaintance for any length of time with any alien of any race or of any country. Duly instructed by the runners, they answer the questions of the overworked examiners, take the oaths in court and aid in making citizens of men of whom they know absolutely nothing.

In one case cited by the naturalization officer from the Philadelphia district 400 petitions were filed within a few days of each other in Northumberland County, Pa. A political campaign was on; and the officer, suspecting the unusual number of petitioners to be the result of collusion between runner lawyers and politicians, detached two competent investigators from their work in Philadelphia and sent them to Northumberland County. They discovered that three young attorneys had secured from the clerk of the court the names of the aliens who had taken out their first papers and had sent to each man a letter saying that for \$10 they would provide the necessary witnesses and arrange for his naturalization in time to vote at the coming election.

#### BRIBERY AND FALSE WITNESS

Bribery is, of course, the main reliance of the exploiters who provide the grist for the naturalization mill, and it is no more than one might expect if an occasional overworked and underpaid official yields to financial persuasion. Last year three clerks in the Philadelphia office and four professional witnesses were arrested for bribery and collusion. The three clerks

confessed to taking bribes for favorable reports and were promptly dismissed. The four witnesses, whom the papers described as naturalized citizens, found lawyers clever enough to discover a legal technicality under which they were set free.

The systematic use of bribery and false testimony by the runners and exploiters who keep the naturalization mill speeded up has yielded them so good an income with so little risk to themselves that they have been encouraged to resort to direct forgery. Between 1920 and 1922, official investigators in the San Francisco district unearthed one of the greatest series of frauds ever perpetrated against the Government. What they described as "an appalling number of fraudulent naturalization papers" had been issued to aliens who were not able to fulfill any one of the conditions of citizenship.

In his report for 1924 the Commissioner of Naturalization emphasized the fact that the number and quality of immigrants had been for years a matter of official investigation, and that Congress had acted in accordance with the conditions disclosed, but that no such investigation had ever been made of the number and quality of naturalized citizens. He asked that Congress appoint a committee to study the data in the possession of the Bureau of Naturalization, which data, he said, would show that about 75 per cent. of the aliens naturalized under the Act of 1906 are unworthy of citizenship and are national liabilities instead of assets.

According to the census of 1920, there were in that year nearly 5,000,000 adult aliens who had not applied for their papers and hundreds of thousands more between the ages of 18 and 21 who were not eligible to file declarations, but who have since become so. Any or all of these, with the 350,000 permitted under the Quota act to enter the country annually, may become candidates for citizenship at any moment they choose. Add to this vast number the thousand a day who are bootlegged across the borders and between whom and citizenship stands only the frail barrier of a bureau regulation and it is evident that the country is facing a problem such as never before in the history of the world has confronted any nation.

# Feminism More Effective in Europe Than America

By CONSTANCE DREXEL

American Authoress and Student of European Political Questions

TWO of the great upheavals resulting from the World War are the radical changes in the position of women and the effort to substitute arbitration for armed force—peace instead of war. The two movements are closely inter-dependent, the effort to do away with wholesale human slaughter as a means of settling international disputes resting on the new participation of women in political affairs.

It is generally conceded that the women of Germany were the deciding factor in the election of von Hindenburg as President of the Reich. At first this was construed as an indication that the women voters had cast their lot with the war makers of the land. But von Hindenburg's record as President has proved that the women were merely striving to bring order out of chaos by choosing a leader who could guide Germany in a policy of peaceful solution out of her national and international difficulties. "It may have been an example of woman's intuition," was the way one German statesman explained it.

Both the movement for peace and the movement to change the status of women are clearly visible in the United States and in Europe. But they are more apparent in Europe—especially the movement for peace. This is because the United States is drugged with prosperity. Women are flocking to the beauty parlor instead of to the ballot box. No one is thinking about anything. The status quo is highly satisfactory. Why disturb it by arousing conjectures about whys and wherefores? In Europe, on the other hand, economic conditions are such that statesmen are frantically trying to meet Government expenditures and pay Government debts. The only large reductions in the budget can come from reduced military charges. Hence the force of circumstances as well as woman's new power is driving nations toward conciliation.

One should not, however, draw comparisons between the position of women in Europe and in the United States without calling attention to important fundamental differences. There are more women than men in European countries, running to an excess of nearly 2,000,000 in a population of something over 40,000,000, as in the case of England, and an excess of some 3,000,000 in a population of 60,000,000, as in the case of Germany. Wars and emigration have exacted their toll, and the women of Europe must pay the price. In the United States, on the contrary, the proportion is the other way, the Census of 1920 showing an excess of over 2,000,000 males in a population of 105,000,000. This is because more men than women immigrants have come to our shores and because the 50,000 casualties of the last war were comparatively small. In 1910 there were over 4,000,000 more males than females in the United States. Thus, because the law of supply and demand holds sway in the human as well as in other domains, the position of womanhood is inevitably stronger than in Europe.

Apparently nature did not intend that there should be a superfluity of females. Darwin, for example, quotes statistics based on an examination of 70,000,000 European births which showed 106 male to every 100 female births. The proportion is still greater if still-births are taken into consideration, there being more accidents of that sort with boy than with girl babies. For the same reason that boy babies to be healthy demand more physical strength of the mother not only to come into the world but to survive during the first few months, infant mortality is higher among male than female babies. The more strenuous activities of men than women account for the higher death rate in later life. Thus it is not nature but the demands of our civilization that kill off the men,

leaving countless women to face the struggle of life alone. In the United States a woman has a better chance at marriage if that is what she chooses, or a career, if that is what she prefers, than in any European country.

Another factor that weakens the position of women in Europe as compared with that of their sisters in the United States is the economic situation. The United States is such a vast, rich country, sparsely populated for its size, that women are not regarded as competitors against men but are rather welcomed in every field of endeavor. In Europe, on the contrary, there is a struggle for room in the breadline and all professions are overcrowded. Where there is not enough work to go around for men, it logically follows that women are an encumbrance. The situation is aggravated by the excess of women who have no choice but to earn their own living, thus creating a certain antagonism between the sexes which is absent in the United States.

But politically women have made great strides in Europe. The World War let down the bars. For good or for ill, women not only had helped in the titanic struggle but had taken the places of men in field and factory. Where women had been fighting desperately for years to open the political door, Great Britain granted them the vote (to women over 30) almost overnight in 1918. On the Continent, the new European republics, Austria, Poland, Czechoslovakia, Germany and Russia, granted women full suffrage and civil rights in their Constitutions.

In Great Britain there have been eight women in Parliament. There are now three, and one of them, the Duchess of Atholl, also is in the Ministry as Parliamentary Secretary of the Board of Education. British women have had untold influence in humanizing legislation. In Germany there have been from thirty to thirty-five women in every Reichstag, and there are thirty-three women in the present Reichstag. Women sit as members of the Foreign Relations Committee and women hold important posts in every Ministry. Not in dozens, as in the United States, but literally in thousands, the women of Germany are sitting in the various State Parliaments and City Councils throughout the length and breadth of the land.

In Czechoslovakia women have taken and been given such an active part in governing the country that much of the stability and progressiveness of that new republic is credited to them. In Scandinavian countries a woman sits as full-fledged member of the Danish Cabinet—the Minister of Education and Fine Arts. But more important still, the women of Sweden have set the pace in a marriage law in which the State recognizes the economic value of home-making by giving the wife a legal share of her husband's earnings.

In all these European countries where women have the vote they are flocking to polls in even greater numbers than the men, whereas in the United States it has been a great surprise to find that women are tending to shun the ballot box. This is partly due to our inexcusably complicated national, State and municipal election methods, beyond the comprehension of the average American citizen.

All this leads up to the vital question of whether the women of Europe are involved in the great movement which is striving to substitute conciliation and arbitration in place of war. One thing seems certain, that European countries at least are determined to direct those efforts through the League of Nations. This determination applies not only to the permanent departments of the League, including the Secretariat, the yearly Assembly and the Council,



THE MARCHIONESS OF  
ABERDEEN

President of the International  
Council of Women

but applies to the holding of international conferences and the supervision of the machinery which will put the new system into effect. That this determination is present is clearly evident in Europe to one who followed the Peace Conference in Paris and has attended various League of Nations meetings in Geneva ever since.

I have seen the League idea grow from a thin, flickering flame nearly extinguished by the cold water of ridicule into the strong, steady beacon of hope that it is today. What makes the League seem the more hopeful is that it now is supported by two opposing currents of thought, which, blowing against each other, are likely to keep any tottering structure standing straight.

The old school of thought which seeks the balance of power and preparation for war to prepare for peace is losing the battle in face of economic conditions and the awakened power of womanhood. Yet, because the League on final analysis can do only what people want it to do, imperialists and conservatives see in that organization the possibility of using it for their own purposes. On the other hand, the League idea is generally supported by Liberals—those who have faith in a new system. In this scheme of things the World Court is a comparatively insignificant factor for settling disputes, whether brought to it by the League or left on its doorstep by some other agency. The theory upon which the League of Nations is built is that it is a medium through which statesmen of various countries may meet to settle controversies which hitherto have led to human slaughter, and next that it will be the medium through which armaments shall be reduced to a minimum so as to remove those weapons of strife from

the power of hot-headed statesmen, army and navy officers.

In this great organized effort for the peace of the world, have the women of Europe any actual part? Fortunately, just as President Wilson must have had a flash of divine wisdom to realize that he must get the assembled statesmen in Paris to agree on a League of Nations no matter what the price, or the opportunity might not come again in this generation, so a small group of women at the Peace Conference struck at the psychological moment to make sure of woman's place in the League. It was a great feat to accomplish, in view of the representation of Oriental and other races which have little comprehension of the modern attitude toward women. In brief, they obtained a clause in the Covenant of the League (Paragraph 3 of Article 7), as follows: "All positions under or in connection with the League, including the Secretariat, shall be open equally to men and women." They also urged and obtained that humanitarian subjects such as education and various phases of social welfare should be within the scope of the League.

American women had little to do with these negotiations, though it was an American woman who successfully launched the idea, introducing the venerable French suffragist, Mme. DeWitt-Schlumberger, to Colonel House and President Wilson for the purpose of including woman's voice in some small measure in the Peace Conference. Two or three American women in Paris at the time helped throughout. American suffragists, led by Mrs. Chapman Catt, had asked to have a woman included among the American peace delegates, but when that fell through they dropped the matter in the belief that the woman suffrage battle at home needed all



Wide World

#### THE DUCHESS OF ATHOLL

Member of the British House of Commons and Parliamentary Secretary of the Board of Education in the Baldwin Administration

their concentrated efforts. Perhaps that is why even the politically minded women in the United States have shown so little grasp of the real functions and possibilities of the League of Nations, but, like men, have allowed themselves to be swayed by partisan propaganda.

The small group of suffragists in France, the French section of the International Woman Suffrage Alliance, on the other hand, concentrated on the League of Nations during the months of the Peace Conference, that perhaps being the reason that they have not yet obtained votes for women. They called in the help of other allied countries, notably the British section of the International Woman Suffrage Alliance, Mrs. Henry Fawcett coming over from London. Later the International Council of Women took a hand, the Marchioness of Aberdeen arriving in person. Interviews were secured with all the peace delegates, culminating in a hearing before the commission which was framing the Covenant of the League. The most tangible result, as already stated, was the insertion of the "woman's clause" in Article 7.

It cannot be said that the women of Europe have jumped to many important positions in the League. They have been too busy struggling in the bread line. But every annual Assembly has had women sitting on the floor as alternate delegates. Each country being allowed only three delegates, alternate delegates have about the same privileges and responsibilities in the Assembly and are likewise appointed to the commissions into which the Assembly is divided.

In the last Assembly, Mlle. Hélène Vacaresco of the Rumanian delegation had the honor of being named a full delegate when M. Titulesco, Minister to London, was called away from Geneva.

She also is a member of the Supervision Committee of the Institute of Intellectual Cooperation which has been established in Paris under the auspices of the League. The Duchess of Atholl was an alternate delegate in the British delegation. All the Scandinavian countries and Australia sent a woman in their delegations. In the Secretariat or headquarters, many of the minor posts are held by women, some of them wielding quite an influence as assistants to directors of the various sections. And naturally, the majority of the clerical and stenographic positions are held by women. Dame Rachel Crowdny is head of the Social Welfare Bureau and as such serves as secretary of the Opium and Traffic in Women conferences of the League. There are women members on various permanent committees of the League; for example, Mme. Brugge-Wicksell (Sweden) on the Mandate Commission; Mme. Avril de Sainte Croix (France) on the Traffic in Women and Children Committee, and Mrs. Hamilton Wright (United States) on the Advisory Opium

Committee. Mrs. Wright also was a delegate with plenipotentiary powers to the International Opium Conference held in Geneva from November, 1924, to February, 1925.

In the International Labor Bureau, which has, though a part of the League organization, its separate building and secretariat in Geneva, employing some three hundred people, and which holds annual labor conferences, women of various nationalities are actively engaged. One does not hear much about the work of the International Labor Bureau in the United States, but in Europe it is regarded as a valuable agency between governments and labor, and is credited with smoothing out many disputes between labor and capital.



DAME RACHEL ELEANOR CROWDY  
Chief of the Social Questions and Opium Traffic Section of the Secretariat of the League of Nations

Women's organizations in European countries, particularly in England, have been collaborating with the national branches of the Union of League of Nations Societies, which is aiming to educate people in the ideals of the League at Geneva.

More significant than these manifestations of the interests of the women of Europe in peace is the increasing contact of women's organizations with the League of Nations itself. During the past year, in spite of opposition in the United States at the Quinquennial Convention of the International Council of Women held in Washington in May, the European branches have established a Liaison Committee of the International Council of Women and the League of Nations and the International Labor Office at Geneva. Lady Aberdeen and other officers arrived in Geneva on Aug. 29, 1925, to make necessary arrangements, and an office has been opened at 17 Boulevard Helvétique, in charge of Mme. Romniciano, a Rumanian, and Mme. Guthrie d'Arcis of Geneva.

Another part of the scheme also has been put into effect. Sir Eric Drummond, Secretary General of the League, has appointed a member of the Secretariat, Princess Gabrielle Radziwill, to be the liaison officer between the League and women's organizations. Mlle. Radziwill, who is of the Polish nobility and now a citizen of Lithuania, has been employed in the Information Section of the League since its inception and is well qualified to act in her new capacity. She told me in Geneva that she planned to keep interested women's organizations informed when important committees handling the League's various activities are to be named and when posts for which women were qualified become vacant. Likewise, in the International Labor Bureau, Albert Thomas, the Secretary General, has appointed Fräulein Martha Mund, a German woman holding office in the Labor Bureau, to act as liaison officer for labor and industrial questions. Both of these women attended the Washington convention of the International Council of Women.

It is more and more apparent, therefore, that the activities of the League of Nations and of the women of Europe are becoming



Wide Wo. 1

MILLE. HELENE VACARESCO  
Rumanian poet and publicist, who has represented her country in the League of Nations

more closely linked. It is a recognition of the fact that if the League is to succeed in carrying out its ideals, instead of being used as an instrument of the old school of thought, it must be supported by the awakened power of womanhood. It is becoming customary to use Geneva as a centre for international conferences on social welfare subjects of particular concern to women which may or may not be within the jurisdiction of the League.

Most potential as a factor in the close relation between peace and the women of Europe is their new voting strength. The women of Europe are voting in the majority of European countries today, and voting in even greater numbers than men. What women's organizations may do is not so important as the individual awakening to political consciousness of these millions of women throughout Europe. Statistics of all recent elections proving that they do go to the ballot-box, it necessarily follows that candidates and policies must be a topic of family conversation in millions of homes across the Atlantic. This means that it will be more and more difficult for a handful of statesmen or other war makers to lead a people blindfolded to the slaughter house.

# The Suez Canal as an International Waterway

By PIERRE CRABITES

One of the Judges of the Egyptian Mixed Tribunals Representing the United States  
Judge Crabites is a native of New Orleans. He is a recognized authority on Egyptian affairs.

THE Suez Canal is more than a water-course. It is a living force in the maritime life of the world. Its present status is nebulous and equivocal. It should be made an absolutely open highway in war as well as in peace. It was the Suez Canal that called England to Egypt. The British sojourn in the Valley of the Nile is intimately connected with the "security of the communications of the British Empire in Egypt." American public opinion is prepared to allow London and Cairo to thrash out their difficulties in their own way. The necessity of maintaining the canal as an open passage way to all vessels of commerce or of war, in peace or war, is, however, a matter of vital moment to the United States. The possession of the Philippines leaves us no alternative. Our interests on the high seas call upon us to awaken from our lethargy. We can no more hold ourselves aloof from the eventual fate of this isthmian link than we could with safety shut our eyes to an attack upon Panama.

Muhammad Aly, founder of the present Egyptian dynasty, foresaw what the opening of the isthmus would mean to Egypt. He was a rough, uneducated warrior with the vision of a statesman. He was convinced that Bonaparte had come to Egypt in order to assail British rule in India. The wily Albanian construed French support of the project for marrying the Mediterranean to the Red Sea as a renewal, in another form, of the old attack upon England. He looked upon British opposition to the proposed work as a purely defensive measure. The struggle between Paris and London left him cold. He was a Muslim and held both Powers in like contempt. But he felt that if the enterprise were carried through, England and France would

sooner or later compete for its control and that the waters of the canal would submerge Egypt. In a word, Muhammad Aly foresaw that the doom of Egyptian independence would be sounded when the boom of cannon would announce that construction work had begun.

Abbas, the successor of the first and greatest of the Viceroys, adhered more or less mechanically to his father's policy. When Muhammad Saïd came to the throne in July, 1854, he made the fatal mistake of acting upon an impulse. He was an autocrat. He looked upon Egypt as his property and upon the Isthmus of Suez as part of his inheritance. He felt that he had as much right to dig a ditch from Suez to what is now Port Saïd as he had to draw water from the Nile to irrigate his fields. Within less than four months after his inauguration Muhammad Saïd signed, sealed and delivered the concession to his friend Ferdinand de Lesseps. The whole thing was done in the twinkling of an eye. England was confronted with a fait accompli.

France also probably knew nothing of the matter until the concession was announced.

The close personal relations between Muhammad Saïd and the holder of the franchise lend color to the theory that the issuance of the concession was a bolt out of the blue to the entire official world. Ferdinand de Lesseps and the Viceroy were boyhood friends. The father of Ferdinand de Lesseps was for several years French Consul General at Cairo. Muhammad Aly held the elder de Lesseps in high esteem and permitted the viceregal children to see a great deal of the family of the French Consul General. Some years later Muhammad Aly exiled Muhammad Saïd. The

latter wended his way to Paris and there saw a great deal of the de Lesseps family.

Ferdinand de Lesseps was not an engineer. He was a diplomatist. After having spent part of his youth in Egypt, he was assigned to Alexandria in 1830 as an "Elève Consul." He became convinced that the piercing of the Isthmus of Suez was an eminently feasible proposition which met with no scientific barriers and which required only a franchise and money. He probably was waiting for an opportune moment to apply all of the subtle arts of official French strategy to obtain both. Had he worked along these lines England probably would have thwarted him. Fortunately for him, however, Monsieur de Lesseps in 1849 incurred the ill-will of his Foreign Office. He was therefore placed *en disponibilité*. While in this ambiguous diplomatic status, de Lesseps learned that his friend Muhammad Saïd had unexpectedly become Viceroy of Egypt. The Frenchman immediately decided to act upon his own initiative and to make a personal appeal to the friend of his boyhood. A letter was therefore at once dispatched to Cairo, so artfully worded that the return mail brought a pressing invitation for an early visit. He reached Alexandria on Nov. 9, 1854, and twenty-one days later had his franchise in his pocket.

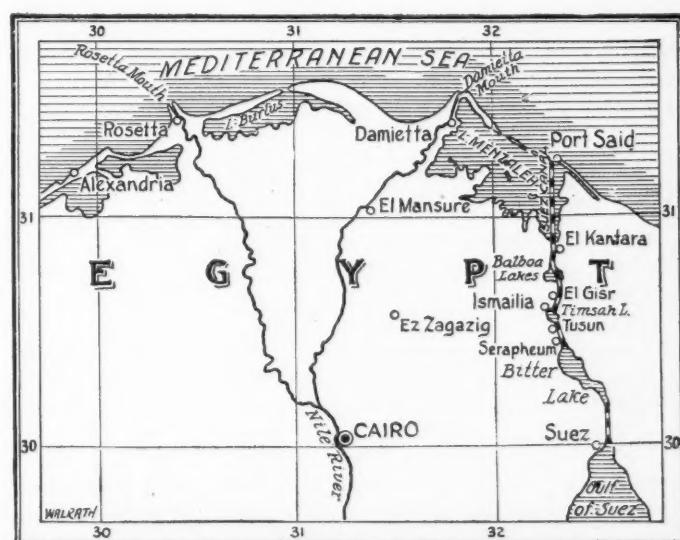
This element of personal equation is emphasized by the terms of the preamble of the concession:

Our friend, Monsieur de Lesseps, (a) having called our attention to the advantages which would inure to Egypt through connecting the Mediterranean and the Red Sea by a navigable watercourse, and (b) having explained to Us the possibility of forming for such purpose a company composed of capitalists of all nations; We have approved the proposition submitted by him and by these presents We confer upon him full and complete authority to form and to direct such a company as may build and operate the Canal.

Article VI specifically set forth that all canal tolls should be collected by the company, but that the rate should be established by agreement between the Canal Company and the Viceroy of Egypt, it being understood, however, that these rates should apply equally to all nations and that no nation or its nationals should ever be given any special advantages or rebates.

All these carefully worded clauses which guaranteed an open door and which tended to give a non-political character to the enterprise made no impression upon England. Venice and Genoa had disappeared from the seas when the trade routes were changed by the discovery of the Cape of Good Hope. Britain did not intend to risk her maritime primacy on the altar of internationalism. Besides, she wanted a fence between Europe and India, not an open door. France was a Mediterranean power and London saw in the de Lesseps conception the menace of French commercial hegemony. The canal was therefore equally anathema to Lord Palmerston and to Disraeli, whether it was the work of French diplomacy or simply and solely a commercial undertaking.

And Napoleon III could not or would not help M. de Lesseps. The Emperor



Map showing the Suez Canal which connects the Mediterranean Sea at Port Said with the Gulf of Suez at Suez

seems to have been afraid that if he did the British lion would roar. This aloofness on the part of the French official world made it extremely difficult for England to give a belligerent note to her opposition to the canal. She fell back upon intrigue and upon an insidious policy of throwing cold water upon the scheme.

I shall not attempt to describe the ramifications of the subtle game of wire pulling into which Turkey was drawn and which England worked from behind the scenes. Suffice it to say that Ferdinand de Lesseps stands out singly and alone as the stalwart champion of progress against the combined forces of inertia, calumny and obscurantism. It was only when the fight was practically won and when the public opinion of the world had become crystallized in the waterway's favor that Louis Napoleon deigned to give de Lesseps active support. It is even doubtful whether the Emperor would have done so at this late hour if the Empress Eugénie had not energetically supported M. de Lesseps, who was her kinsman, and if England had not been, at that time, more or less involved with Washington over the amorous glances which London directed to the leaders of the Southern Confederacy.

#### HOW BRITONS WON CONTROL

The canal was thrown open to navigation just about the time when the dispute over the Spanish succession brought Bismarck and Benedetti to the fore. France was in the throes of war with Prussia before the practicability of the canal had been tested. When, therefore, it became clear to the world that the waterway was not only a success but a great boon to commerce, British statesmanship could view with complacency the temporary elimination of France from the diplomatic map of Europe. The field was thus left open to London to acquire a controlling interest in the product of the brain of de Lesseps if and when opportunity should present itself. This chance came about perhaps sooner than had been expected. Nevertheless, when one analyzes the facts it becomes clear that it was bound to develop sooner or later. The prodigality of the Khedive Ismaïl, who had succeeded Muhammed Saïd as ruler of Egypt, and

the greed of the Suez Canal Company made this eventuality merely a question of time.

Ismaïl owned 177,642 shares of the corporation out of a total issue of 400,000. These holdings brought him no interest. The Emperor of the French, acting as arbitrator, had in 1864 awarded the canal company damages against Egypt amounting to 84,000,000 francs because of the cessation of the "corvée," which had been counted upon to lessen the cost of construction. The Khedive had no cash. It had, therefore, been agreed that he should pay his debt by pledging to the company any dividends which might be earned by his stock up to 1894. Besides, this non-productive asset carried with it no voting power, as his Highness, by an irrevocable power of attorney, had authorized M. de Lesseps to enjoy this right until the debt in question should be duly settled.

Ismaïl had certain pressing maturities falling due Dec. 1, 1875, and no available cash. He was endeavoring to meet the emergency by raising money on his Suez stock when Disraeli, the arch enemy of the canal, who was then British Prime Minister, learned of what was brewing.

It happened that Frederick Greenwood of The Pall Mall Gazette was dining on the night of Nov. 14, 1875, at a London club with a Mr. Oppenheimer, a banker, of Alexandria, Egypt. When the cigars had been lighted and the port tasted, the journalist turned to his banker friend and said to him: "Oppenheimer, you are always in the know; have you a story for me?" "No, I can't say that I have," answered his friend, "but I did hear in Paris yesterday morning a bit of gossip that means nothing to you, but which may eventually add a few pounds to my income." "And pray what is this good fortune that awaits you?" asked Greenwood. And thereupon Oppenheimer said that Ismail was endeavoring to raise money on his Suez stock and added certain specific details as to the negotiations. The unemotional Britisher could hardly believe his ears. "Oppenheimer," said he, "are you sure of your facts? If you are, I shall lose a capital story, because I am an Englishman first and a journalist afterward. I shall, with your permission, lay this matter before the Foreign

Secretary, Lord Derby.  
He must know of it to-morrow morning."

Lord Derby was communicated with without delay. He at once laid the subject before the Prime Minister, Disraeli. The latter saw immediately that the situation was too critical, pressing and delicate for a Cabinet conference, but that it was sufficiently important to justify the immediate intervention of the house of Rothschild. Nathan Rothschild was equal to the emergency. He placed his purse at the disposal of his Queen. And on Nov. 25 the sum of £4,000,000 was paid to the Khedive. The 177,642 shares owned by him became then and there the property of the British Government. It thus came to pass that Ismaïl divested himself of the ownership of the canal with the same disconcerting rapidity with which his predecessor had granted the concession to dig it. Neither of them appreciated the significance of what had been done. Muhammad Saïd did not know that he had tempted fate and that Kismet would in time reveal which of the great powers had been predestined to absorb Egyptian autonomy. Ismaïl failed to grasp that in accepting English money he had inserted the name of Great Britain in the draft issued in blank by the friend of Ferdinand de Lesseps.

If the Khedival stock had no voice at elections when it was owned by Ismail it developed vocal cords as soon as the British Government purchased it. In fact, British influence became so evident that the Suez Canal Company was popularly known as Victoria, de Lesseps & Co. And the senior partner made her influence felt not only by placing British representatives on the board, but by radically changing the policy of the corporation.

The carrying trade of the world benefited by this modification. Previous to the



A view of Port Said, Egypt, showing in the background the headquarters of the Suez Canal Company

introduction of British blood into the management the property had been run on the principle of getting out of it all that the traffic could bear. Tolls were high. And it was not proposed to put any considerable proportion of the earnings into the plant. On the contrary, it was intended to pay them out in dividends. This program would almost necessarily have caused friction between France and England. Outside of the Khedival holdings Suez Canal stock was largely in French hands, whereas the world's merchant marine was predominantly British. This meant that France wanted tolls and dividends, whereas England desired cheap rates and the improvement of the water course. As soon as her Britannic Majesty put her men on the Board of Directors they shaped the policy of the company in favor of the shipping interests. They did so all the more willingly because the old Khedival stock was destined to remain non-productive until 1894.

While this purchase of Ismaïl's interests protected the English carrying trade, it did

not adequately safeguard British imperial interests. The Rothschild money straightened out the purely commercial aspects of England's claims. It did not, however, solve the major issue of the security of the communications of her Britannic Majesty's Empire. As a matter of fact, the adjustment of the economic problem served to emphasize anew the strategic value of the canal.

The original decree of Nov. 30, 1854, assured to all nations equal treatment in respect of tolls. An amendatory ukase of Jan. 5, 1856, went a little, but not very much, further. The Viceroy therein guaranteed that the canal, its ports and dependencies should always be open as a neutral passage to all *vessels of commerce* without exclusion or preference in favor of any nationality, implying that the Viceregal decree connoted that the waterway, in time of strife, could not be used by belligerent men-of-war. It was not, however, until 1888 that a sustained effort was made to fix, in an official manner, the international status of the canal in time of war. England had occupied Egypt in 1882 and was still there in 1888. And thereby hangs a tale.

#### INTERNATIONAL PACT OF 1888

On Oct. 29, 1888, an agreement containing seventeen articles was entered into between France, Germany, Austria-Hungary, Spain, Great Britain, Italy, Holland, Russia and Turkey. Article I said that the canal should always be free and open in time of war as well as in time of peace to all vessels of commerce or of war without distinction as to flag. Article IV added that even belligerent men-of-war might use the canal, provided that they left its waters as soon as possible. The next article provided that during war belligerent Powers should neither embark nor disembark in the canal or its ports, troops, munitions or war material.

The treaty, as drafted, suited England and it also did not suit her. It was agreeable to Britain as mistress of the seas but unsatisfactory to her as the mouth-piece of Egypt. There was, therefore, appended to the pact the following innocuous memorandum: "The delegates of Great Britain in taking cognizance of the text of this treaty (omissis), esteem that it is their

duty to formulate express reservations to the effect that this treaty shall not take effect in so far as it may interfere with the transitory and exceptional state in which Egypt now finds itself." In other words England said: "We agree, but our duty to Egypt forces us to refuse for the account of our ward that which we accept for ourselves."

In 1904, when England and France had their love feast, Britain withdrew the reservation which Egypt's interests had dictated in 1888. The sincerity of the treaty was not put to a test until the great war shook the world from end to end. But in December, 1914, England ended the "transitory and exceptional state" in which Egypt found herself in 1888. The land of Pharaohs, Ptolemies, Sultans, Viceroys and Khedives became a British protectorate. This caused the Suez Canal issue to enter a new phase.

#### TREATY IGNORED IN 1914

At the outbreak of the war several German merchantmen were traversing the canal. They preferred to anchor at Port Saïd rather than risk the hazards of the high seas. They were allowed to remain there for several months, but finally the canal authorities gave them orders to sail. As soon as the three-mile limit was reached allied men-of-war pounced upon the Germans and they were captured. The neutrality of the waterway was, however, respected.

Shortly after the proclamation of the British protectorate over Egypt the Turks menaced the valley of the Nile. England massed troops to repulse the attack. The lines of defense were west of the Suez Canal. That ditch became the outer trench of the allied fortifications. Then Lord Kitchener came to Egypt. He is reported to have said that the whole plan then in force was fundamentally erroneous, that the Suez Canal should be defended and not used as a defense and that trenches should be dug east of the canal. I cannot vouch for the accuracy of these rumors. It is, however, known to every one in Egypt that during the last thirty months of the war Kantara, on the banks of the Suez Canal, became a military base of primary importance and that British and French men-of-



Steamers passing through the Suez Canal

war and troop ships freely entered the canal, discharged soldiers and munitions and remained there indefinitely.

I am criticizing no one. I am simply recording that when the strife was in its early stages the inviolability of the canal was respected. When, however, the agony was prolonged and passions ran high, no one thought any more about the covenant which said that "during war belligerent powers shall neither embark nor disembark in the canal or its ports troops, munitions or war material." The pact of 1888, made binding only from and after 1904, became a dead letter; I might say "a scrap of paper."

It is argued that the Turks were attacking Egypt and that Kantara was used as a military base for the protection of Egypt. It is this feature of the present situation which makes of the Suez Canal problem a live issue. It is the fact that the defense of Egyptian frontiers may suddenly become a factor in a purely maritime war in no way connected with Egypt that gives to the subject its pulsating interest.

I refuse to consider the hypothesis that England and America may ever cease to be friends. To contemplate the proposition is to admit a supposition so monstrous as to be immoral. But even if ties which are stronger than those of blood link us to England, it is possible that our interests may conflict with those of Britain's allies

of today or of tomorrow. Should this contingency come about, we must be assured of the free passage of the Suez Canal. We cannot have access to it depend upon the caprice of Egypt, or upon any agreement which may exist between England and any of her present or future allies. We cannot accept the conditions with which Germany was faced in 1914.

#### AMERICAN RIGHTS IMPAIRED IN 1922

The unprecedented brand of independence granted Egypt in 1922 emphasizes the meaning of the situation which has just been defined. Britain in that year abolished her Egyptian Protectorate. In announcing this decision to the British Parliament, Lloyd George, then Prime Minister, declared that while England recognized the independence of Egypt, four points were reserved to the discretion of His Majesty's Government. First and foremost was: "the security of the communications of the British Empire in Egypt." This means in plain English that the Suez Canal may not be an English lake but that it is a British waterway. It tells us that we cannot use this English stream in time of war without Britain's expressed or implied consent. It points out that our right to traverse the narrow seas is impaired.

I shall not attempt to inquire why our Department of State recognized the independence of Egypt. This matter has noth-

ing to do with my subject. The relationship between England and Egypt is a domestic matter with which America has no direct concern. The future of the Suez Canal, however, is not a local issue, but an international one. Washington may no more ignore it than it could validly overlook an attempt to close the Straits of Messina or London could allow the recent occupation of Corfu to pass unnoticed.

To my mind the psychological moment for the adjustment of the status of the canal was when we were asked to recognize the independence of Egypt. It would have been perfectly proper to have refused to take cognizance of the new status of Egypt unless Britain and Egypt had given a positive guarantee that the Suez Canal would remain open in time of war as defined in the abortive treaty of 1888 before mentioned.

We allowed this opportunity to pass. In 1922 Mr. Hughes was harassed with so many problems that he could not solve all of them with equal mastery. My admiration for him is too sincere for me to think of blaming him. The United States owes him too much for any one who has followed his work to speak of him in unfriendly terms. Still the fact remains that this Suez Canal issue is unsettled and that Washington owes it to our sense of dignity to get it into proper shape.

In confronting this problem, we must not close our eyes to the fact that we have lost our trump card through having recognized an independence which as yet does not exist. Nor must we forget that this question of making of the Suez Canal an English watercourse is one upon which Great Britain will be reluctant to cede an inch.

I am convinced that Britain is perfectly willing to get out of Egypt provided that she can (1) do with the Suez Canal whatever she pleases, in war or peace, and (2) take over the Sudan.

Egypt, as Egypt, means nothing to England. It is today a liability, not an asset. I mean by this that it would pay England, as a business proposition, to leave Egypt, as she could then exploit the Sudan to her heart's content. Under present conditions Britain is bound by an Anglo-Egyptian partnership in respect of the Sudan which ties the hands of the senior partner. The junior member of the firm has interests which conflict with those of the Sudan. This arrests the development of the latter country. England would be better off out of Egypt, as then the Sudan could be made to pay her most alluring dividends.

But Egypt is the key to Suez, and Suez is the road to India and to Australia and China. It is therefore a vital link in the empire. It gives a concrete meaning to the formula "the security of the communications of the British Empire in Egypt." The statesmanship of Westminster accordingly holds to Egypt as a means to an end. I do not blame the English. They entered Egypt largely because they wanted to control the canal. They are absolutely right from their point of view. But we are entitled to ours. We own the Philippines. We have maritime interests. We are a free people. We cannot retain our self-respect and permit our access to the high seas to be contingent upon the pleasure of any Power, however liberal and friendly it may be. We must face the issue. Now is the time to do so. We must not let another opportunity escape us.



# The Bombardment of Damascus

## Two Points of View

The two contributions printed below present opposed views of the bombardment of Damascus by the French last October. The first is written by a distinguished gentleman of the highest connections, who has resided in that city for a number of years. The reply, which is embodied in the second article, comes from the best and highest French source of information. The reason for not disclosing the identity of the writer of the first article is that he sent his manuscript to the editor on that condition. In a letter dated Dec. 13, 1925, he says: "I do wish that the American people could really understand the true state of affairs over here. It is not a war against the whites or against the Christians—No! No! No! This is not a religious war—it is a purely political war." He makes the statement that 20,000 new troops came into Syria, and adds: "Most of them are Germans and Austrians who are enlisted under the French. \* \* \* All the blame should not be put on Sarrai's shoulders, as there were very aggravating causes in Djebel Druse that led up to war."

### I—A Resident's Indictment

WHEN rumor of an expected attack of 5,000 Druse and bandit soldiers upon Damascus became ripe throughout the city on Oct. 18, the French began to organize for a stout resistance. An ominous quietness reigned all that day. There was an atmosphere of impending disaster. If the French had been informed, if they had been more steady and fearless, a great catastrophe could have been avoided.

About 5 P. M. on Oct. 18 the first rifle shots were exchanged. Just how the alteration began no one seems to know. The shooting rapidly increased and spread to other quarters. Soon the machine guns were doing their deadly work, followed by the belching and roaring of the "seventy-fives" and the battery pieces. Pandemonium reigned in that part of the city where the ceaseless thunders of machine, shrapnel and shell firing centred.

In the centre of the city, near the great bazaars, are located a vast prison and barracks combined. Here a large force of soldiers, with many families of French officers and civilians, were safely protected. Heavy field pieces were mounted on the high turrets, and the firing from here was heavy. Tanks of terribly destructive power and automobiles equipped with machine guns swept all before them. Thousands of Colonial troops brought up the rear of

street patrol and poured lead into the houses and down the side lanes. None was spared.

About one-half mile to the west of the prison barracks, near the depot where trains leave for Beirut, are very large barracks for troops; another half mile to the northwest are the large French Military Hospital for the Army of Syria and the executive quarters of the French High Commission. Adjoining this latter is the staff command official quarters for the Army of France in Syria. A great number of soldiers were on guard here, special barrages having been placed around this entire group of Government buildings. The French populace of Salhaye were ordered to take up their abode within the hospital. The other nationals, Americans and Europeans, through their respective Consuls, were invited to come to the hospital for protection, but so far as we know, not one accepted French protection; neither would the Protestant missionaries or members of Protestant educational institutes accept French offers of protection.

Who were the French Army fighting? There was no army of Druses and bandits in the city—at least none had made an attack upon Damascus. The French Army was bombarding the city now, and a few angry citizens known as political revolutionists were returning a desultory, sniping

revolver and rifle fire. Why were the French bombarding the city from their centres of strong barrages? Why was their "Big Bertha" dropping shells in the great bazaar centres and blowing up dozens of houses and destroying most costly goods? This was the leading question asked by the Consuls, by the heads of the various churches, by the missionaries, by the Christians and by the Moslems. Why were the French dropping airplane shells indiscriminately on American, British and other foreign property; and why did missionaries and other Christians have to run for their lives from French shells and bullets, and why did so many Jewish and Moslem non-combatants need to perish and their houses lie in ruins? Everybody is asking why, and everybody is asking where is the army into whose hands the brave French were here to save Damascus from falling. Nobody can answer. It is a tragedy which the French cannot explain.

#### BOMBARDMENT PRECIPITATED BY CARAVAN

As far as can be ascertained these are the facts: About 70,000 people live in that portion of the City of Damascus called Meidan, which extends like a great elongated finger southward to the distant suburb of Cadam. In the 70,000 population of Meidan perhaps there are not more than 8,000 Christians. Meidan is reputed to be the chief centre of political unrest, although less than 10 per cent. of the population are disposed to engage in armed demonstration against the French. Among Moslem agitators there can always be found a considerable sprinkling of professing Christians who hate the French, as mandatory governors, and desire to set up an independency.

A few days before the trouble broke out a caravan of 400 mixed Druse, Bedouin and Arab warriors from the South entered Damascus by way of Meidan, taking up their lodging in the vicinity of the Street Called Straight, where the great wholesale bazaars are located. This mixed caravan may have come to Damascus for supplies, since in the Southeastern part of Syria provisions and Winter goods are short on account of the prolonged Druse war. The political agitators of Meidan no doubt interpreted the presence of this caravan as

an indication that an army had come to help them free Damascus from the French yoke. The 5,000 merchants in the vicinity of the Street Called Straight and adjoining districts interpreted the presence of the caravan as a menace to their business, as possibly being a contingent of the band of starving, nondescript looters, who, a few days before, had attempted an attack upon Damascus at the East Gate—Baptouma—and who had been completely routed by the French. The several villages to the east of Damascus in which these bandits had been quartering were destroyed by the French. The loot of those villages by the French soldiers—sheep, cattle, camels, horses, fine carpets, rugs, grain and food supplies—was sold to the citizens of Damascus at auction prices. The villages destroyed by the French were in the line of march of the bandits, who may have been unwillingly entertained by the villagers. The presence of the bandits in any village was the signal for a French attack; all the stores and chattels of the villagers would be confiscated and the homes destroyed.

The merchants of Damascus were no friends of the bandits; and when the caravan of Druses and Bedouins came to their quarters adjoining the Street Called Straight, they armed to defend their merchandise. Ostensibly the caravan had come to Damascus for supplies to convey back to different points in Southeastern Syria. Of course they were bound to pay for their stores, if they could not obtain them in their characteristic honest way of appropriating them. Rumors, built largely upon conjecture, became afloat in the city. Christian, Moslem and Jewish merchants who owned valuable stores and property armed themselves as a primary measure against petty robbery or bandit raids. Political agitators mingled with the throngs in the bazaars, circulating false reports of the size of the Druse and Bedouin army that had come to help free the city from French rule, whereas no army had come to help them, although the individuals comprising the caravan may have been ready to perpetrate some mischief, if the opportunity offered. Syrian detectives in French employ, with altogether too much credulity and an insatiable desire to build up an enviable reputation, dealt yards of thrilling

Oriental "dope" to the easily excited French military leaders, and by the time the holocaust was about to be initiated the entire city was in a state of tense expectation. The detectives had included the armed merchants in the same category as the political agitators, whereas they had armed only for the purpose of protecting their property from banditry.

Though there are but few in Syria who are content with French rule, there are at the same time but few (a pitifully small percentage) of the Christian and Moslem inhabitants of Damascus who would attempt to effect an open or armed resistance, or even to take part in a political uprising by plotting against the French. The people who were armed in anticipation of helping the caravan of 400 attack the French were very small in comparison with the number of armed merchants whose purpose was to defend their shops and homes against plunder.

#### FALSE REPORTS TO FRENCH

This was the situation in Damascus before the bombardment of the city began by the French. A military decision built upon the exaggerated report of the men sent to investigate the situation guided the French in their destruction and slaughter; but did this report guide the soldiers in their wanton robbery of the innocents and looting of shops and homes of their treasures? The hostility was aggravated, after the bombardment began, by the burning of the local official residence of General Sarrail, Governor of Syria, which residence, containing many fabulous treasures, was located in the very quarter where the agitation had its centre. The gendarmes fled, but the house guards were assassinated by the infuriated mob which had grown in that quarter after the bombardment began.

Between the Street Called Straight and El Hamedie, upon both of which long avenues are located the greatest and most famous bazaars of Syria, there are closely crowded together some of the best and oldest of the houses of the nobility of the country. Nearly the entire section is in utter ruins. Most of these rich people, respected, enlightened, conservative in their manners are now paupers. The majority had no part in the uprising. They received

no warning from the French that the bombardment would centre upon them. Their houses in many instances were filled with the most costly heirlooms—relics of antiquity, ancestral furniture and treasures that could not be duplicated. Save that which the French soldiers and officers looted after the section was well on fire, nearly all is lost, covered in heaps of ruins, after being blown to splinters or fragments by great bombs from French batteries and from airplane shells. There are no figures of the lives lost, but many tell of the most thrilling escapes.

The steady rain of shot and shell upon the great bazaars scattered the few agitators who were in this quarter to other parts of the city where they launched petty attacks upon French squads. Their efforts to enlist the citizens to their support were in vain, although they succeeded in bringing the fire of the French upon the helpless citizens.

Before the armistice was declared, it was thought in Salhaye that the whole of Meidan was destroyed, since communication had been cut off from that part of the city. Now it is learned that Meidan is not totally destroyed, but in sections shells have done great damage. It is impossible to determine how many lives have been lost, but the toll is great. From semi-official sources, the property losses, apart from destruction of treasure, is \$30,000,000. It will take ten years to recuperate commercially.

In Baptouma, the largest Christian quarter of Damascus, when a French force of 2,000 soldiers evacuated through some unnamed fear, leaving the Christians entirely unguarded, Moslems organized a local guard to defend Christians against bandit attack. Moslem refugees found protection in Christian homes, but French honor permitted soldiers to loot indiscriminately law-abiding Moslems. A few lower-class Moslems attacked an Armenian colony, killed the adults, about thirty, carrying away all the belongings and about ten girls. As to the French bombardment of the city, all the Consuls met and signed a joint protest and denunciation of the barbarous example set by the French in Syria.

An armistice was announced to end at noon of Oct. 24, during which period the

citizens of Damascus were to have opportunity to pay an indemnity of £100 Turkish gold and 3,000 rifles to the French Army. If this indemnity should not be forthcoming in full by the time of the expiration of the armistice, the bombardment would be resumed. That the bombardment was not resumed was due to the pressure of foreign public opinion against the French, engendered largely since the time the causes originated which precipitated the Druse War. Copies of the joint consular protest and other very interesting information as to French tactics in Syria were known by the French to have gone forward to respective countries from consular offices in Damascus. French impulse began to decline in favor of tardy caution. But the evidence is too staggering against callow impulse, and the smell of powder everywhere is too obvious.

Picture the scenes when the French pyrotechnics blared forth! Then began a great exodus of women and children by train and auto to Beirut and other coastal points, both from the bombarded sections of the city and from those points untouched by shells. At the same moment there was an exodus from the danger zones to the places of safety within the city. There was a sort of quiet order in the midst of confusion among the rapidly moving throngs. Thousands of wagons, carts, carriages and coolies with packs pressed through the streets toward higher and safer points, miles away from the centre of terror.

Thousands possessing nothing (all being lost), and thousands bearing a meagre portion of their belongings, were hurrying in the great procession. Moslems and Christians huddled together in sympathy, spoke in subdued tones of horror to one another, commenting upon the demerits of this highly civilized power. Christians hung their heads with shame at the whispered inferences and the indisputable evidence afforded by the débâcle. For four days this stream of humanity poured through Salhaye. A scurrying, honking procession of autos was engaged for the well-to-do. Dodging the wheeled traffic were the ragged, the scantily clothed, the aged and infirm, and many who, tottering and staggering, had left sick beds. Many mothers gave premature birth to children and died

in their agony unnoticed. Some sank to earth for want of food, or through excessive excitement and exposure. Many Mohammedan women threw off their veils; they did not care now who saw them. Perhaps they left loved ones buried back in the shattered dwellings. Men were first robbed by squads of soldiers and then stabbed or shot. I am not speaking of revolutionists, but of quiet citizens who sought to flee with their families. Such are the eventualities of war. Did I say war? Not war, but wanton carnage—the result of a mistake which terminated a whole series of mistakes.

About 30,000 families are reported to have left Damascus during and after the bombardment. A large percentage of these declare that they will never return. All the great cities of Egypt closed their shops and went into mourning for three days because of the desecration of the third in order of the sacred cities of the world.

Though the French knew that they would bombard the city at least four days before they began to do so, they failed to notify any one of their intentions, except a very few families of Syrians who were esteemed by them as their friends. As the various Consuls received no notice of the expected bombardment, they did not have time to warn their nationals to evacuate. Diplomatically speaking, many nerves were shaken during the gruesome target practice of the French.

#### THE RECORD OF ALLEGED ATROCITIES

It is at this writing just three weeks since the bombardment of Damascus by the French came to an end as a result of the very vigorous protest of the Consuls, but the excesses by the French soldiers have not ceased. There are hold-ups in broad day, robberies and assassinations. There are many instances of soldiers ordering goods at the shops and, when the shop man demands pay, the soldier will take aim at him with his rifle or revolver and walk off with the goods ordered. Action against the soldiers is impossible, as there is no recognition of justice for the benefit of the stricken inhabitants. Villages have been entered by the French soldiers, Mohammedan women outraged and men killed, and all the contents of the houses looted. This

has occurred in localities that were not in armed resistance against the French and which had not harbored bandits.

Christians and Circassians have been given arms and incited by the French authorities to hostilities against the Druses, and, when the Druses became aroused and made a stout resistance, the French troops, who were supposed to aid the Christians, retired and left the inexperienced fighters to their fate. There has been such a strong and apparent effort on the part of the French to stir up religious hatred that now Christians, Circassians, and all classes who were once pro-French, are rallying to the aid of the revolutionists.

At the beginning of the bombardment of Damascus there were only about 1,200 armed bandits (so-called) menacing the French in the region of Dumah, east of Damascus. At this writing (Nov. 17) there are 25,000 revolutionists forming a circle around Damascus. They have drill masters, and are well equipped with machine guns, rifles and ammunition taken from the French in several successful engagements which took place in neighboring cities since the bombardment of Damascus occurred. They will not enter Damascus, fearing to bring the French fire upon the innocent inhabitants, as a few bandits did a few weeks ago.

The French morale is decidedly weakened since the recall of General Sarrail and the revelations that have been published to all the world. It is a remarkable fact that modern military power in the hands of the French is not, in its total result, effectual in routing an equal force of natives bearing sabres. The natives are not afraid of tanks, charge them on foot and soon put them out of commission. They leap to the top of tanks and with sabres hew through the gun holes at the inmates within, or they build vaults and the tanks drop into pits. The natives are past masters at ambush in the open prairie—they can rise up, silently, en masse, out of nowhere, and utterly surprise and demoralize superior forces.

Nearly all the region of the Southern Lebanon and Anti-Lebanon, the Western Hermon and much of the region south of Beirut is in the hands of the Western Nation of Druses, whose capital is Hasbeye. Nearly every hour we hear of some new

development in the tragic events taking place in Syria.

It is important that the world should know that an effort is being made in desperation to throw the blame of the shelling of Damascus upon the innocent people of the city. A large document, purporting to have been framed by 1,000 citizens, has been forged, exhibiting the seals of a thousand or more persons—seals such as are used by all in this part of the world. These seals were gathered in feverish haste from every available source and placed by the framers on the forged covenant. The covenant breathes out threats of the coming incendiaryism of Damascus—as if the inhabitants would burn their own shops and homes in order to vent their anger upon the French—and it is intended to implicate the citizens of this now doubly famous city. The object is to present to the League of Nations a convincing proof that the French did not do anything wrong in “dropping a few shells down into the burning city, in the hope of dispersing a mob bent upon the destruction of the city,” and thus give a plausible color to the gentle recital which General Sarrail has given of the affair. Naturally, this document, framed after the bombardment, must bear a date prior to its commencement; among other things, it should bear bona-fide seals, which it does not, in order to bolster up the almost pitiable hope of its framers that it will be accepted as evidence.

Upon the arrival of large French reinforcements about the middle of October, a considerable contingent was dispatched to the villages east of Damascus to clean up the bandits supposed to be collecting there. The French, as usual, were surprised and suffered the loss of 400 men. Extra forces were sent quickly from Damascus. Though they could not overtake and punish the bandits, they did take about 300 persons, mostly peasants and traders. These were brought as prisoners to Damascus, except 27 who were shot on suspicion and brought in on camels, laid out in the public square and a great military cordon thrown around the gruesome display. All the homes of the neighboring villages were looted by the French, the villages shelled and the fine carpets, stores and stock, which could not be absorbed by the looters, were

sold at public auction to the citizens of Damascus. A sinister spirit now began to hover over the great city which has been the pride of tourists, traders and Bible students for centuries.

Without trial or the privilege of protest, prisoners were placed in the basement dungeon of the great prison. Before the bombardment began, 300 of these prisoners were killed, either because they were too great a care or in order to make room for the steady influx of luckless souls who should happen to be in the track of the bandit catchers. The manner of the killing was as follows: The prisoner was ordered to ascend to a great elevation by a flight of stairs; there soldiers from three sides pierced him with bayonets until the man in agony was forced to plunge from the platform to his death below. One hundred and fifty prisoners were thus killed in one

day. After the bombardment, a form of throat-cutting was administered to groups of five and a dozen almost daily. No questions were asked nor was any notice given.

The foregoing observations are not from second-hand sources. The writer has been either an eyewitness of the main events or gained certain details from the most reliable sources. The criminal abuse of authority, willful suppression of facts the world ought to know, and the steady inflaming of a desperate people by a despotic force make an altogether sufficient reason why just and sane persons should not be silent witnesses. The events of the past month, which set the world aghast, cause the missionaries of Syria to hang their heads with shame, since, in the eyes of the Mohammedan world, Christian civilization is debasing.

## II—The French Reply

THE reappraisal of the damage caused by the bombardment of Damascus results in considerable diminution of first estimates, which were about 580,000 Turkish pounds gold (about \$2,900,000). At present it is estimated that the damage amounts to less than the equivalent of \$1,500,000, as will be duly shown in a report by the French authorities to the League of Nations.

At Damascus itself no foreign Consul protested against the bombardment, which was progressive and allowed those who wished to escape it to take refuge in the unexposed quarters. The best proof of this fact is that no European or American foreigner figures among the victims. It was not possible to warn the inhabitants of Meidan, because that quarter was isolated from the rest of the city by the insurgents, and all communication was cut between Meidan and the rest of Damascus. The number of insurgents was in no wise increased following the bombardment. On the contrary, the insurgents surrendered after forty-eight hours.

There is absolutely no truth in the statement that the French authorities had any petition prepared in order to show the League of Nations that they were within

their rights. No one has ever had knowledge of any such document.

An allusion made to 300 prisoners who were brought to Damascus and of whom twenty-seven are stated to have been killed is an obvious distortion of the events which took place in October, when a band was wiped out in regular warfare by French troops. The bodies of the bandits killed in this encounter were laid out in a public place in Damascus. There is no foundation whatever for the statement that 300 prisoners were killed before the bombardment of villages. The details of cruelties accompanying such alleged killings are purely fanciful. In the course of the operations of the Vergne column, the purpose of which was to clear the neighborhood of Damascus of bandits and to enable the peasants to cultivate their fields and orchards, it was necessary to bombard certain villages in which bands had taken refuge. This was ordinary warfare, during which the insurgents undoubtedly sustained very severe losses; those who were killed died while bearing arms. Some prisoners were taken and they are now being prosecuted before the Court of Justice. This Court of Justice, composed of French and native Judges, insures in every possible

way a careful investigation of each case. It reaches decisions without any haste. Until now (Feb. 12, 1926), only three capital sentences have been imposed on bandits who were captured while bearing arms, and these three bandits were hanged in a public place in Damascus. Except for one ordinary murderer who suffered the same penalty there has not been any other execution. The Court, however, has pending before it numerous cases of banditry, and it is possible that a certain number of insurgents may yet be hanged. But no sentence is imposed except by a regular judgment and by virtue of the right which every community possesses to defend itself against bands of murderers and looters.

#### ANTI-FRENCH PROPAGANDA

The French authorities have taken stern measures so as to make certain that no abuse be committed and that prisoners be treated with complete humaneness. The charge of barbarism made against French officers and soldiers forms part of the plan of campaign of the Syrian-Palestinian Committee operating from Cairo. While insurgents force dwellers to enroll in their bands under penalty of death; while they attack villages which defend themselves against looting; while they plunder and massacre Christian or even Moslem inhabitants if they resist, the French officers and soldiers who, going to the rescue of the besieged, killed insurgents in the course of warfare taking place under these conditions are accused of all the crimes which the insurgents have committed. Articles which have appeared in the Syrian and Lebanon press show that the Syrian uprising is not of a national character, but is a looting enterprise which has been conducted under the guise of a religious war. It is another case similar to that of Christian massacres which have always taken place in the Orient and which now are the aim of this war.

France is engaged in defending oppressed minorities and seeks to restore the security without which civilization in Syria can make no progress. Hence, the measures adopted by France have roused all the feudal forces which are determined to keep the Arab peasants under the domination of

their lords, to continue the abuses of the Turkish régime, to profit from the corruption of public officials, to oppose the establishment of a land tenure system which will prevent the stealing of land from the poorest, and, finally, to oppose tax reforms which will prevent the bribing of tax collectors, which in its turn results in the burden of taxation weighing most heavily on the weakest inhabitants. In brief, these feudal forces oppose the introduction into Syria of the ideas of justice and equality which will destroy their power. France, on the contrary, is engaged in rescuing from this oppression the unfortunate Arab peasant who, until now, has been spending his life working to satisfy the appetites of his masters.

It would not be right to have the American public believe that the rôles have been reversed, for American opinion, if better informed, is bound to endorse the civilizing work of France. On the other hand, if, on the very day that Damascus was bombarded, the French authorities had not taken energetic and immediate measures, it is certain that the rioters, once aroused by the looting of stores and private houses, would have stopped at nothing. The European colony, and in particular the Americans, would have suffered the fate of the fifty Armenians whom the insurgents killed, for the massacre had already begun. The French authorities, instead of being unjustly accused in the press of civilized countries, are entitled, on the contrary, to ask the press of the entire world to take into account the fact that France is exerting her best endeavors to fulfill a difficult duty, and that in the particular case of Damascus she prevented a massacre of Europeans and Americans typical of the awful spectacle which Oriental fanaticism has too often presented to the world.

The ridiculous accusations made by the person referred to as a distinguished personage of Damascus would lead to the supposition that a veritable reign of terror exists in Damascus. The fact that the author of the article sent to CURRENT HISTORY does not wish his name revealed indicates that he dare not risk the ridicule which his distortions would bring upon him among his own compatriots, and, furthermore, that the "news" which he desires to

have published is false; for if it were true, he need fear no penalty. In reply to the writer's statements, the following can be said:

#### FALSE ACCUSATIONS

1. It was not on false reports that the bombardment took place, but as the result of rifle fire attack carried out by a band of looters who had penetrated into the south quarter of Damascus. It was not a "caravan" of 400 Druses, but a band which, augmented by rioters, opened hostilities on Oct. 18.

2. The suddenness of the uprising and the swiftness of its spread, which threatened all Christians, rendered it impossible to warn the population. The manner in which the bombardment was begun constituted a warning. On the evening of Oct. 18 two volleys of artillery were directed solely on the garden surrounding the quarters where the bands were located. No shell was fired at first on the houses. It was the next day that, the rioting having increased, a very slow bombardment was directed on the quarters where rioting was going on.

3. The absurdity of the contention that the damage to property amounted to \$30,000,000 is shown by the fact that it has now been correctly ascertained to be not in excess of \$1,500,000.

4. There is absolutely no truth in the statement that French officers and soldiers who were defending the European quarters of the city or were located in the citadel could have been guilty of looting. This could not have taken place apart from street fighting, of which there was none. It was precisely in order to avoid street fighting that it was necessary to have recourse to a bombardment in order to suppress the riot.

5. The number of dead did not go beyond 150 among the inhabitants. There were ten killed and twenty-nine wounded among the French troops. The number of the insurgents was also absurdly exaggerated.

6. Only a few Circassian auxiliaries participated in the suppression of the riot. As for the Christians, they took shelter at the very outset of the riot, some of them having been massacred in the Armenian quarter before the bombardment.

7. The French Government has never heard of any memorandum or petition of any kind having been requested from the population in order to justify the cause of the authorities.

8. The twenty-four bodies were laid in a public place not in November but in October, following an expedition against an insurgent band at a time when the Damascus population complained that the French authorities were not sufficiently energetic in restoring order in the region. These bodies were those of a number of members of the insurgent band who had been killed during the encounter.

9. The story of 300 prisoners executed is merely a lie. Apart from a few insurgents who were captured while bearing arms and executed, none of the 500 prisoners imprisoned in the citadel has been executed.

10. The French troops sent to Syria included some detachments of the Foreign Legion, which contains men of all nationalities, and particularly Germans.

In brief, if the riot had not been quickly stopped, the Moslems would have carried out a general massacre of the Christians, while the method of suppression adopted was moderate and perfectly appropriate to the obvious dangers of the situation.

[In a dispatch from Beirut, dated March 26, Henry de Jouvenel, French High Commissioner for Syria, declared himself confident that the Druse rebellion would soon be suppressed. A new campaign against the rebels was being energetically prepared. He pictured the war as one of purely religious character in a country where there existed thirty different religions among a population of 3,500,000, the majority of whom were Moslems and Catholics. He added:

"The Druses rebelled in 1920 because they contended we wanted to place them under the rule of Damascus, and now they are fighting us again because they wish to join Damascus. \* \* \* The men who are fighting in and around Damascus now are bandits who are roaming the country to the south and southeast of the city in bands of fifty to a hundred at the most. \* \* \* We have erected a wire fence around Damascus similar to the one put around Belgium during the late war. The only way to restore order in Syria is to divide the country into four capital States (Lebanon, Great Syria, Alaouite, Alexandretta). Three of these States are drawing up their Constitutions now. \* \* \* When the new Governments have been satisfactorily established in Syria, the mandate will be lightened."]

# Rebirth of Armenia Under Soviet Régime

By JOHN R. VORIS

Associate General Secretary, Near East Relief

THE proposal of Dr. Nansen, approved by the League of Nations, to solve the Armenian problem in the Near East by transferring several thousand Armenian refugees from Greece, Syria and Turkey into Russian Armenia, brings again to the front the question of the status of Armenia. The Nansen proposal involves an international loan of at least \$5,000,000 to the existing Armenian Government, which is a part of the Soviet Federation, and therefore implies a departure in international financing of an interesting and somewhat unprecedented type.

Dr. Nansen's extraordinary gift of fusing varied and differing forces and his reputation for fairness made him the ideal man to bring forward such a proposal. The League of Nations could not agree on any other man who seemed to be a fitting leader even for the preliminary study of the problem. After a personal survey and study on the ground, Dr. Nansen proposed the immediate repatriation of 15,000 Armenian refugees in Greece and Constantinople, all of whom expressed the desire to settle in Russian Armenia. Later on, 10,000 Armenian refugees in Syria may receive the same opportunity. The suggested international loan would include \$3,000,000 for irrigation and drainage of 80,000 acres of tillable land. The remainder of the loan would be used for settling the refugees on this land. It is understood that most of the transportation expenses would be met by the Greek Government. The loan would be made to the existing Armenian Government, which would guarantee it and would set aside all taxes and revenues from the irrigated land for meeting the interest charges and amortization. Russian Armenia, Dr. Nansen states, "must be regarded as the only existing and possible national home for the scattered Armenian people."

The League of Nations, while recognizing the difficulty of floating such a loan to a unit of Soviet Russia, nevertheless sees in this proposal an opportunity for the European Governments to redeem their numerous unfulfilled pledges to Armenia. One of the prominent officials of the League explained the official position to me in this way:

The nations of the world have talked for years about "justice to the persecuted Armenians," but they have not done much but talk. Here is an opportunity to make good their numerous promises in a practical and permanent manner. It is true that the transportation of 15,000 to 25,000 Armenian refugees to Russia does not solve the whole of the Armenian problem. But it is a step in the right direction. It will relieve the most difficult situation in the Near East, and it will point a possible way toward a larger solution, based upon sound economic foundations. If a refugee population can dig itself out and can successfully repay the financing of the proposed enterprise, so that what is done is not a charity so much as a philanthropic investment, then we have found a wholesome social method of solving situations of this type. The possibility of doing this thing has already been demonstrated by the success of the Greek refugee settlement scheme, which has not only solved the refugee question but has made a new Greece.

One must recognize that the proposal is complicated by the fact that Armenia is not an independent nation. It must work through Moscow in negotiating loans, and other nations may hesitate to deal with any government that must deal through Moscow. But we hope that antagonism toward Soviet Russia will not be permitted to interfere with a proposition so obviously helpful to many sides of international peace and prosperity.

I recently returned from a long survey of the political and economic situation in Russian Armenia, which was materially assisted by the fact that I had covered the same ground in the same manner five years before. The progress in that time has been striking. Five years ago Armenia was a



Map of Armenia, with which Georgia and Azerbaijan form the Transcaucasian Federation of Soviet Republics. The Armenian Republic was originally constituted in May, 1918. Its de facto independence was recognized by the Allies in January, 1920, and its de jure independence was embodied in the Treaty of Sevres, signed in August, 1920. On April 2, 1921, Armenia was proclaimed a Soviet republic. Its area is 15,240 square miles; its population is about 1,200,000; and its capital is Erivan, which has about 90,000 inhabitants.

scene of destitution, devastation and starvation without equal anywhere in the post-war world. Present conditions reveal a change little less than miraculous.

#### THE ARMENIA OF TODAY

Although much has been written about the Armenians during the past few years, and although there has been a widespread interest and sympathy with their problems, yet there is little knowledge of what is actually taking place in Armenia. The only Armenia which remains today is in Transcaucasia and is an integral province of the Russian Soviet Federation. It has nothing to do with Turkey, although it lies immediately east of the devastated and deserted provinces of Eastern Anatolia. It does not include the old Turkish-Armenian vilayet, formerly more Armenian than Turkish, and now almost without population owing to the persistent massacres and deportations of the past ten years. There is no longer any political Armenia other than this tiny Caucasian State, unless it is in the dreams and imaginations of ardent Armenian nationalists. Despite the plans and promises of the Western Powers, the Armenian people has been left a scattered and bewildered race, their numbers reduced

by more than half and their territories abbreviated to a few thousand square miles under Russian protection and suzerainty.

Yet Russian Armenia, after five years of peace, exhibits in surprising fashion the racial ability which the thrifty and energetic Armenians have always shown for recovery even under the most adverse conditions. Five years ago every city, town and village in Armenia was devastated to what seemed a hopeless degree. One wondered if the country could come back at all, if the people would have enough spirit to find the means to recuperate. Today the rebuilding cities answer that question. Alexandropol (now called Leninakan) and Erivan are the two largest centres, each with about 50,000 people. The former is the larger and perhaps the more progressive of the two; Erivan, being the capital, is the more important. Considering the fact that these are semi-Oriental cities, the streets are immaculately clean and the sanitary conditions excellent. The Alexandropol birth rate is three times that of the death rate. An American physician, who is working with children in the American orphanages in this centre, told me that he considered the American hospital there in an excellent condition, the doctors of high

professional standing and the Government Health Department plans really remarkable. This doctor has great faith in the future Armenian governmental leadership, simply from the point of view of constructive sanitation and prevention of disease. The Government has requested fifty nurses from the training school established by the American Near East Relief, with the idea of extending the service of nurses to home visitation and of applying eventually the principles of modern social service to both the city and the village health work. This is an entirely new spirit of social service in Eastern lands.

In 1921 hundreds of refugees were seen on the streets. They were dying like flies. Now there are no refugees to be seen. In seven years the country has absorbed 400,000 who had come in from the Turkish provinces. This number was more than half of the existing population. They live meagrely; but they live.

Law and order are far above the average. Brigands do not infest the country roads, and from all that I could gather, mountain travel is safer than in Turkey, Syria, Persia or Arabia, or the Balkans. No one has recently heard of express trains being held up in Armenia. Mountain tribes are not at war, and there are no raids on the small villages, a condition never existing before. In the towns and cities soldiers take the place of police, for Armenia, like the whole of Russia, is under military rule. But there are fewer soldiers ordinarily about than there are police in an average American town or city. And one is perfectly safe in the larger centres; there are no hold-ups, no robberies, no street murders.

The labor situation has some bright aspects. The President of the Alexandropol district told me that there are from three to four hundred people out of work in 50,000. In general, all peasants, including the refugees from Turkish territory, have been granted farms, and while the standard of living is near the hunger line, all are hard at work. There are few factories in Armenia, but such small concerns as exist are now at work; and since the railroads are running at almost pre-war efficiency the railroad workers are not idle.

There seems to be every reason for believing that the country is economically and financially on the up-grade. Five years ago business was dead. Now the bazaars and the public and private stores are beginning to show some signs of prosperity. It cannot be equal to that of pre-war days, before the influx of refugees and the frequent turn-over of governments. But it is clear that remarkable advances have been made in five years. It is possible now to buy practically anything one wishes in the stores or markets. There is enough new building construction to stem the tide of depreciation which has swept over the country for a decade. Materials are very hard to secure and are expensive. Lumber is scarce for lack of forests in Armenia, and neither Armenia nor the whole of Russia has been in the past capable of caring for home needs in manufactured building materials. Yet there are many evidences of a brightening up of houses and of public buildings, of repairs and painting, and of a general upward tendency. This is in contrast to Constantinople, or the Black Sea ports of Turkey, where the tendency is sharply downward.

In industry there has not been much of a foundation for deterioration. Armenia has been agricultural rather than industrial. Her peasants have always been practically self-supporting, supplying their own primitive needs, and requiring but little else, unless times were very good, and so, aside from tanneries, a few dairies, dyeing establishments and railroad shops, there was scarcely any industrial development whatever. No chimneys dominate the buildings of city or village, dwarfing the church domes; no smoke covers the landscape. However, there are signs today of a growing consciousness of industrial possibilities and a determination to move toward the industrialization of the country.

There is no coal, but there are many mountain rivers which contain a tremendous amount of potential hydraulic power, and electricity will furnish the groundwork of future industrial development. Many electric stations are being built in the various districts and other more extensive ones are planned.

Armenia is rich in copper mines. At Ghapan and Allaverdi there are immense

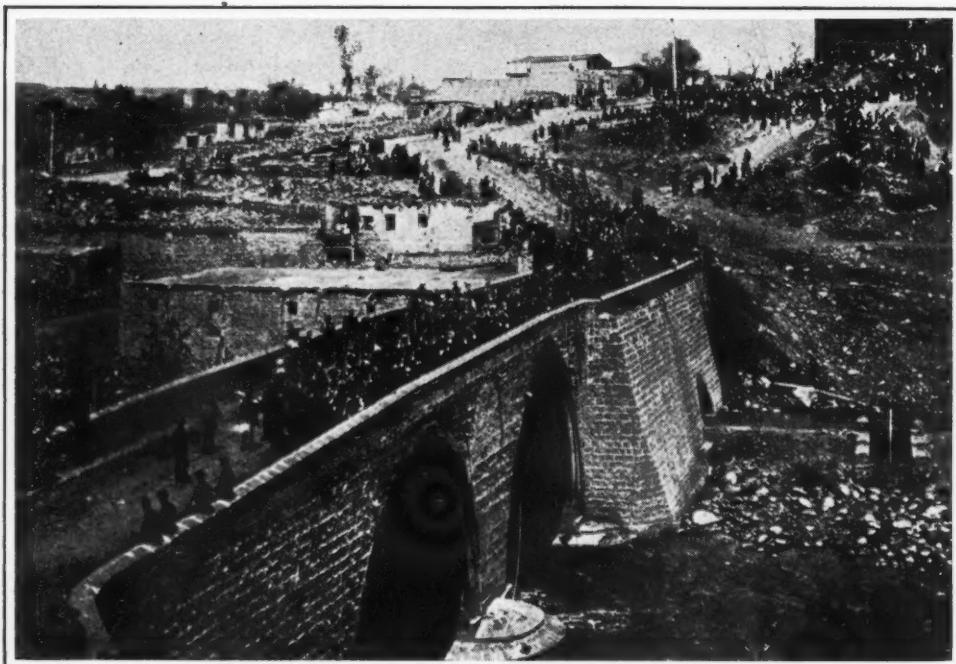
amounts of copper. These mines have been reconstructed and are more productive than in pre-war times. There are even now many cotton plantations and one may expect an appreciable development of cotton-growing in the near future. The Government visualizes twelve new cotton mills, but frankly says that lack of financial backing prevents further construction now. There are pumice stone factories, supplying all the needs of Armenia and a surplus for exporting; cotton-sorting shops, plants for manufacturing soap and oil as cotton by-products, and two leather factories, recently established at Eriwan, which already produce enough leather for Armenia and the adjoining republics. In addition one might mention the opening of wine, alcohol and cognac factories, combined into a Government controlled trust, called "Trust Ararat."

I had two interviews with Mr. Erzinkian, Commissar for Agriculture, a well-educated man of unusually strong personality. His offices occupy the whole of a good-sized two-story building at Eriwan. It is a busy place. The Commissar told me that the

country had now recovered itself to the extent of raising 80 per cent. of its pre-war crops of grain, fruits and other agricultural products. This progress, which has been gradual, is the actual accomplishment of the peasants, but the Government has played no small part in the supplying of seed grain and tools, not to speak of encouragement and of an agricultural program that stimulated production.

#### IRRIGATION DEVELOPMENT

There are, furthermore, two lines of development under way which will very largely increase the wealth of the country. The first of these is irrigation. Near Eriwan is the vast Sadarabad Plain, under the very shadow of Mount Ararat. It is as level as an Illinois prairie, surrounded and protected by high mountains. In Summer it is very hot, with a temperature similar to that of Imperial Valley, California. It has been dry and valueless and, in the few spots where there has been minor irrigation, infested with malaria. It is the purpose of the Government eventually to irrigate this entire tract of land, settle it, and



Armenian troops crossing the River Aras and entering Eriwan, capital of the republic, in 1920, when the independence of Armenia was recognized by the Allies

encourage the extension of cotton raising. The second irrigation development is in the region of Leninakan, where the district Government, encouraged by the State, has actually completed a remarkable irrigation tunnel and canal. Digging a tube ten feet in height and six feet wide, after it has been lined and cemented, through solid rock for a distance of a mile and a half, is not child's play. This has been done. I saw the water turned into this tunnel at the time of the visit of the Russian officials to Armenia in March of last year.

The other field of development is the dairy industry. The breed of cattle in Armenia in the past has been very poor. But I saw 200 head of fine cattle at the new Government experimental station at Kara Kala when I visited the dairy and the cheese plant there. Swiss, Holland and Russian pure-blooded stock have been imported. The Government Agricultural Commissar actively assists this school, as he also encourages the Near East Relief orphan farm school near by. The climate of these mountain regions is peculiarly adapted to the making of dairy butter and cheese. The mountains and ravines are covered with a nutritious grass; the hay is of high quality; two crops of clover can be raised a year.

To understand the educational problem one must comprehend that Armenia is a very backward country. The Armenians as individuals are eager for an education, as is well known wherever they have been known at all. But in a country that has been so near the soil, where every member of the family has had to work in the fields to make a bare living from the unfertilized ground, cultivated by ancient methods, there has been a lack of learning quite appalling to the American. The Commissariat of Education is beginning the execution of its plan to teach first of all the children, and then, so far as possible, to give enlightenment to illiterate adults. For the children a free grammar school education will be an epochal achievement.

I talked with Moravian, Educational Commissar, and have before me a report which he had prepared for me. I also talked with the Superintendent of Educa-

tion of the Leninakan schools and I was in direct touch with the entire system of education through the Near East Relief schools, which are synchronized with the Government schools. In my judgment education in Armenia is decidedly on the upward grade.

#### EDUCATIONAL PROGRESS

It is the purpose of the educational department to emphasize vocational training; to bring education down to earth and make it practical. Education throughout Russia and the entire East has in the past tended toward the classic and the academic, rather than toward the practical. "Labor colleges," which are really industrial training schools with a higher sounding name, have been established at Eriwan and Leninakan. There are art and music schools, too. One notes, with interest, that the classification of students in the Musical Academy were: 13 from the labor class, 31 peasants, 8 artisans, 44 employes (Government), 8 from the commercial class, 80 from the intelligentsia. Of 150 students in the art school, 90 per cent. were children of laborers and Government employes, and 10 per cent. of merchants. In addition, the Department of Education has produced twenty-seven text books and a number of normal courses; has supervised the State theatre and the museums, and has had general oversight over the Government children's homes. The general library in Eriwan has been used as never before.

One of the greater forces for education are the Near East Relief schools, where 10,000 orphaned children are being trained.

All this is in a country led by Soviet paternalism. In this progress, American philanthropy, standing aside from all political thought or action, has played a most important part, not only in the saving of lives but in imparting to the people new ideals of hygiene, agriculture, methodology, education and social service. But Dr. Nansen is right in urging that further constructive help is essential if there is to be sufficient development to absorb more refugees. And this help, he says, through the League of Nations, must be given not by one nation, but by several nations, and not merely as a philanthropic gift, but as a philanthropic loan.

# How Our Money is Manufactured

By WILLIAM ATHERTON DU PUY

Currency Expert, United States Bureau of Efficiency

**I**T is an odd thing that there should exist in the world so little coordinated information as to the actual physical history of that vital thing, money, which plays so important a part in the lives of all men. The story of money is hardly to be found in any of the libraries. There are innumerable books given over to a discussion of the theory of money, but the physical facts of it exist only in fragmentary and widely diffused form.

Yet the story of money is one of the great romances of the world. The contributions it has made to the development of civilization are equaled by those of few other agencies. The importance of it in modern times is easily measured by considering the well-being of peoples living in countries that have stable and effective currencies and the embarrassments of those living in countries that have not.

The first money of the Greeks was the copper pot. Everybody wanted copper pots and, therefore, anybody would exchange whatever else he had for them. Copper pots became a common denominator in the market, tending to replace barter. Then some young Greek hit upon the idea of making up the copper of which pots were made into strips and using them in the markets instead of pots. These strips were called "obols," and six of them made a handful. They were the first actual money of the Greeks. They marked the beginning of the use of metals as money.

Two hundred years before Caesar, silver displaced copper as money in Rome because it had been shown to be a handier metal for the purpose. From that time on it was the predominant money metal until, 2,000 years later, gold took precedence.

In 1516 the Count of Schlitz opened up a silver mine of considerable productivity in St. Joachim's thal, or dale, in his native Bohemia. He appreciated the dire need of the Middle Ages to have more money as a medium to facilitate trade. So he made his silver into coins and placed

on them a picture of St. Joachim. In honor of his native community he called these coins St. Joachim's thalers. They soon became known as Joachimsthalers; then they got over into Germany and were called thalers. Later, in the Netherlands, they were called dalers. They crossed to England and were known as dollars. Joachimsthalers were, in fact, the first dollars.

After the discovery of America, Spain gained a dominance which was largely due to the possession of silver from Mexico and Peru, which provided her with a circulating medium. She made a coin, the "piece-of-eight" of pirate stories, which was a dollar. England could not furnish currency for her colonists, so the latter began to use Spanish pieces-of-eight, which were comparatively abundant. They liked these coins better than the English shillings and pounds, and so, when they set up a money system of their own, they modeled it on the Spanish rather than the English scheme. So did a dollar currency, destined to loom large a hundred and fifty years later, come into being.

Marco Polo brought the idea of paper money back from China. Many nations have since printed paper money and most of them have had a great deal of difficulty in maintaining a stable value. The United States tried a number of experiments in paper money, but when the Civil War came it had of that sort of currency only the issues of State banks which were of uncertain value. The dollar issued by the banks of one State might be worth 40 cents and those issued by another State might be worth 60 cents. Paper money, only seventy years ago was, in fact, in a state of great confusion. Coin was still very largely used. It was quite the customary thing that, on the first of the month, a gentleman should take his bags of jingling coins in his carriage, call upon his respective creditors and pay his bills in hard money.

The United States Government at the present time has five kinds of paper currency. They are as different from each other as the money of France is different from the money of Switzerland. They are admittedly confusing and complicated to maintain. They came about during those decades that followed the Civil War, when the Government was floundering along the road that was leading toward a stable paper money that would stand all the tests. In the end the Government attained stability, but its paper money is still greatly complicated and hard to understand. The five currencies as they exist today are as follows:

1. There are the United States notes, which are the unredeemed greenbacks of the Civil War days. There are \$346,000,000 of them in circulation, and there is \$150,000,000 in gold deposited in the Treasury to guarantee their redemption on demand. Most of the five-dollar bills are United States notes.

2. There are silver certificates, the security of which is guaranteed by the deposit in the Treasury, dollar for dollar, of minted silver dollars. The silver certificates are mostly in one-dollar bills. There are 450,000,000 of them. They are warehouse receipts for silver dollars in the Treasury. There are enough of these minted silver dollars to load a freight train three miles long. More than 200,000,000 of them are in the Mint at Philadelphia.

3. There are the gold certificates, the yellowbacks that are issued instead of gold coin. For every ten-dollar yellowback or twenty-dollar yellowback that there is in circulation there is ten dollars' worth or twenty dollars' worth of actual gold in the Treasury. The vast quantities of gold that came to America from Europe during the World War were largely put into the old Assay Office Building at 32 Wall Street, in New York, and gold certificates issued in its stead. Two and a half billion dollars' worth of it lie today in the vaults beneath that modest building. It is the biggest store of gold ever got together since the world began. It is made up into bars and stacked in vaults like kindling in the woodshed.

4. National bank currency was devised about the close of the Civil War. It is printed by the Government, but issued by the banks themselves. The

names of the banks are printed on the bills they issue. They are allowed to issue it only upon the deposit of prescribed Government bonds with the Treasury. Redemption of this currency by the banks of issue is certain, because, if it is not redeemed by the banks, the Government will sell the bonds deposited, get the money and redeem it itself. There is some \$600,000,000 worth of this national bank currency in circulation. The Secretary of the Treasury believes that it should be retired when the bonds back of it mature in 1930.

5. Federal Reserve currency is the newest model of Federal paper money. It is issued through the Federal Reserve System to member banks upon deposit of securities guaranteeing its repayment. There is a finely adjusted scheme back of it which causes it to flow forth when the people need extra money and return to the Treasury when that need passes. It is the final



Some of the coin and paper money stored in the vaults of the United States Treasury

masterpiece of the Government in a properly functioning paper currency.

These are the five types of paper money that are used every day by American business. They are all equally stable. There is the equivalent of gold back of every one of them. Whoever has money in the form of any of them can go to the bank any day and change it into gold. It is this fact that gives all these currencies unquestioned stability.

These five kinds of money grew into our system in a quite haphazard way. They are admittedly confusing and most of them are admittedly unnecessary. The kinds should be reduced in number. Theoretically there should be but one kind. The established order, however, is hard to replace. These five kinds of paper money are supplied under law and none of them can be displaced other than by legislation. Much thought is being given to the proper legislation that will weed out the unnecessary varieties of paper money.

#### COMPLICATED AND CONFUSING

Thus it comes to pass that while the United States has a quite stable and dependable paper currency, that currency is complicated and confusing. One might take a check for fifty dollars to the bank, for instance, and ask for ten-dollar bills, no two alike. He might get a ten-dollar bill of each of the five kinds of currency described above. Thus the user of this money becomes confused as to what a ten-dollar bill should look like. Few people can tell offhand what pictures should be on ten-dollar bills. The user of money can seldom identify it with any certainty. This makes the business of the counterfeiter much easier than need be.

At present bills are printed in eleven denominations. These are ones, twos, fives, tens, twenties, fifties, hundreds, five-hundreds, thousands, five-thousands and ten-thousands. The Treasury Department, assisted by the United States Bureau of Efficiency, has of late been making a study of its paper currency with a program of simplification in mind. It has a committee, of which Herbert D. Brown, Chief of the Efficiency Bureau, is Chairman, that is trying to devise a less complicated money scheme. That committee finds that

several of these denominations which the Government puts out are little used. The two-dollar bills, for instance, are an encumbrance rather than an aid. They are likely to be discontinued in the near future. The five-hundred-dollar bills are little used. That denomination could be dropped and would never be missed. The five-thousand-dollar bills and the ten-thousand-dollar bills are only occasionally used in transferring large amounts of money from one bank to another. It would be little less convenient if those banks used one-thousand-dollar bills. Therefore these two large denominations are likely soon to be abandoned. This would reduce the denominations issued from eleven to seven. The currency would be simplified to that extent.

Under the present scheme several kinds of bills of the several denominations are issued, as, for instance, five kinds of ten-dollar bills, four kinds of five-dollar bills, four kinds of twenties, four kinds of fifties, three kinds of hundreds, two kinds of thousands and so on. Altogether there are thirty-nine models of money turned out at the Government money factory.

Now, in addition to reducing the number of denominations manufactured, the Treasury Department has worked out a scheme for reducing the varieties of each denomination. It intends to make over its money scheme in such a way that there will be but one design of ten-dollar bill, one-dollar bill, or bill of any other denomination.

It will be noted that there appears on the faces of all the notes, seals and numbers printed in different colors from the other matter on those faces. The seals identify the notes as to kind. They are put on after the notes are otherwise finished. They identify the notes as silver certificates, gold certificates, Federal Reserve notes, and so forth.

#### REDUCTION PLANNED BY TREASURY

Under the new scheme the Treasury will print but seven kinds of bills instead of thirty-nine—one for each denomination. Then it will make these seven kinds serve the purposes of all the different kinds of money by merely printing different seals in different colors on them. But the out-

put of the money factory will be greatly simplified. The varieties of bills that come into the hands of the average citizen will likewise be greatly decreased.

As the paper money flows today from the Bureau of Engraving and Printing at Washington it is quite impressive in its bulk. The man of today uses a great deal more money than does any other individual on the face of the earth. When one looks back over the story of the development of money one is led to con-

clude that the unprecedented activities of a modern world are largely due to the development of an abundance of money. One is forced to conclude, for example, that the ever-increasing activities of the past three decades had their foundation in an outpouring of money that was made possible by the acquisition of stores of silver and gold that followed the discovery of America. One is forced to conclude, also, that the super-activity of the last three decades was based largely on the outpouring of gold which began with the discovery in the eighteen-nineties of the cyanide method of extracting it from low-grade ores. This gold has gone into the treasure vaults of nations and has reappeared as coin or as paper made secure by the presence of gold back of it. With this vast bulk of money vast activities have been possible and the world has advanced as never before.

In the United States there are now in circulation about 1,000,000,000 of those bills that are printed at the Bureau of Engraving and Printing. Those bills wear out and must be replaced once a year. Thus the output of the money factory must be 1,000,000,000 bills a year. These billion bills would carpet a roadway ten feet wide from New York to San Francisco.



Harris &amp; Ewing

Counting the money in the United States Treasury

They would, if placed on a scale big enough to hold them, be shown to weigh some 1,500 tons. They would make up a freight train load of paper money consisting of forty cars. Destined to reach the pockets of every citizen in the nation, these bills flow forth from the Government money factory at the rate of four or five tons a day. Worn and dirty bills come back to the Treasury for redemption in similar quantities.

Half of this money is in dollar bills. That denomination is increasingly popular under the spur of an age of high wages and wide ownership of automobiles. The American people now use seven times as many dollar bills as they did in 1900 and three times as many as in 1910. Every day the Treasury is asked to send forth to the people two or three tons of dollar bills.

#### THWARTING COUNTERFEITING

Hand in hand with the issue of this vast bulk of currency goes the Government's responsibility for protecting it against attempts to counterfeit it, which is a crime in the eyes of the law. The Government must manufacture this money in such a way that it cannot be duplicated. It must

carefully watch for attempts to duplicate it and punish those who make these efforts.

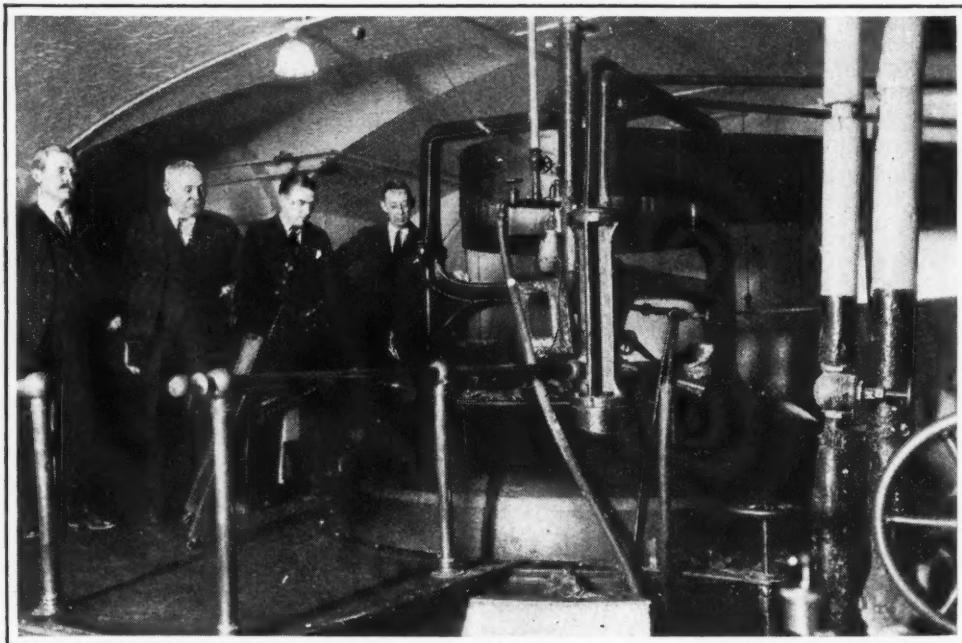
The first step toward protecting the money against counterfeiting lies in the paper on which it is printed. A distinctive paper is used, a paper made of a mixture of linen and cotton with the introduction of certain silk fiber. It is a violation of the law for unauthorized persons to make or possess this distinctive paper, which is used only for printing money and other Government securities. Each year a New England paper manufacturer supplies the Government with some 1,800 tons of this distinctive, secretly made paper.

The second step toward making the money hard to counterfeit rests on the manner of its printing, from steel engraved plates. Steel engraving is almost a lost art. It is no longer done commercially. It is done almost exclusively in the Government's Bureau of Engraving and Printing. That bureau trains its own engravers. Once trained, they remain with the Government all their lives, because there is no call for their skill on the outside. If one

of them leaves the Government's employ his movements are watched forever after by the Secret Service, whose business it is to prevent counterfeiting.

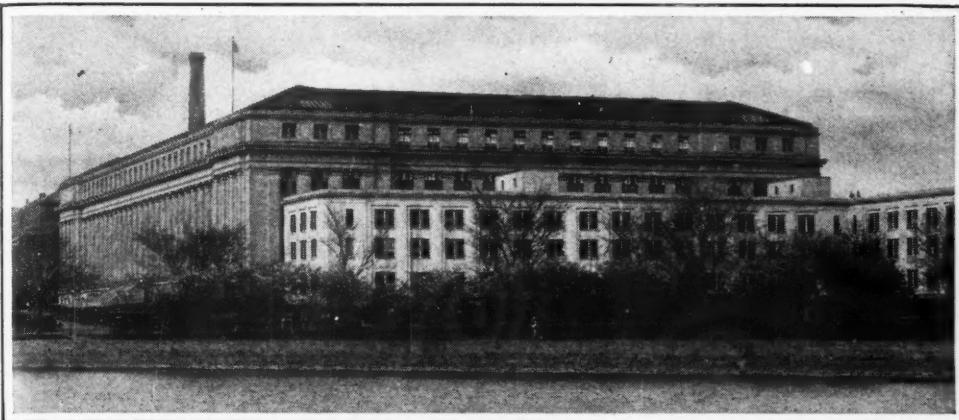
The portraits on the faces of the notes are peculiarly difficult to counterfeit. The face of Washington on the dollar bills, for instance, is the result of eight months' work by the best engraver in the service. There is no engraver outside the service capable of duplicating it. The lettering on this bill is done by a specialist in lettering on steel. The borders are done by a specialist in borders. No one man could engrave a steel plate with the qualities of these three specialists. Any counterfeit which represented an attempt to accomplish this impossible task would be immediately recognized as spurious.

The modern method of making counterfeits is by photographic processes. Here again there is security in printing from steel engraved plates. It is impossible to reproduce these notes by photographic processes and make them appear as do the bills printed from steel. The method is



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One of the macerators in the United States Treasury, which are used for destroying paper money too old for further use



Harris &amp; Ewing

The Bureau of Printing and Engraving, Washington, D. C., where the paper money of the United States is printed

different and the appearance of the product cannot be other than different.

The portrait of Washington, for instance, printed from steel has the appearance of standing out from the paper. It looks as if it were done in relief. This effect is peculiar to steel engraving. The same portrait reproduced by photographic processes would appear flat. Any individual who examines the portrait of Washington and gets its appearance fixed in his mind can tell a counterfeit immediately by its appearance of flatness.

The chief activity of the Secret Service of the Treasury Department is the pro-

tection of the nation's money against counterfeiting. That agency has its net spread over the entire country in such a way that, wherever a counterfeit bill appears, the Secret Service is likely to get word of it immediately. The Secret Service has never yet failed to trace a counterfeit bill to its source. It is practically impossible for a counterfeiter to be more than momentarily successful. So deeply has this fact been impressed on the minds of criminals that attempts at counterfeiting are not frequent. In that great flood of a billion bills which covers the nation it is very rare indeed that one appears that has not a proper place in the money scheme.



# Collapse of Socialism in the United States

By W. J. GHENT

Author of Various Works on the History of American Socialism

SOCIAL progressivism in America reached its highest stage in the years immediately preceding the World War. Though the propaganda of reconstruction had for years been earnestly carried on, substantial results came slowly. By 1910 the movement had reached a form and coherence that awakened popular response, and from then on to the midsummer of 1914 progress was rapid.

Social insurgency in one or another of its many forms is an old phenomenon in American politics. The feeling that between rich man and poor man there is an enduring conflict of interest has been ingrained in the American consciousness since Colonial times. But until recently, and particularly along the advancing frontier, the poor man was not so much concerned that the rich man had greater wealth than himself as that he had greater privileges and superior advantages before the law, and that these advantages resulted in a denial of opportunity. Democratic equalitarianism was inbred in the American people. But, except in certain outstanding cases, this equalitarianism was not economic. The various attempts at collectivism, such as the Owenite and Fourierite movements, hardly took root in the soil. Individualism was the code of the East; individualism plus mutual aid the code of the frontier. For such ills as the trail-blazers and the first settlers conceived to be remediable, the accepted remedy was the election to office of "champions of the plain people" and "friends of the poor man." Under this régime the demagogue flourished and the inequality of possessions grew greater.

After the Civil War, with the rise of industrialism, the growth of trade-unionism and the gradual closing of the frontier, came the awakening sense that at least the grosser inequalities of fortune were unjust and unnecessary and that they could be

remedied either by law, or by group action, or by both, and there followed a period of organization of the exploited. On the part of the wage earner this movement took predominantly a non-political tendency; on the part of the farmers, sensible that group action had limitations too narrow for effective results, it became largely political. The Grange gave way to the Farmers' Alliance, with a broad political purpose. The conviction grew that the State was the common agency of all; and that only through the State could there be effective remedial action. The farmers and the wage earners were not long in discovering that their efforts should be joined. The National Party, or, as it was generally known, the Greenback Labor Party, organized in 1878, was a response to the urge for unity. In the Fall elections it polled more than a million votes and elected fourteen Representatives in Congress. But it gradually dwindled, and not until 1891 was there again a union on so large a scale. In that year representatives of the Farmers' Alliance, the Knights of Labor and various other labor and reform bodies combined into an organization that a year later, at the Omaha convention, became the People's Party and that in the following election polled more than 1,000,000 votes and obtained twenty-two Presidential electors.

The Nationalist movement of the early nineties — based upon Edward Bellamy's novel, "Looking Backward," — had boldly proposed an all-inclusive collectivism, and the collectivist ideal from now on increasingly pervaded insurgent thought and feeling. Yet the mass of insurgency was still a heterogeneous thing. It had experimented with a score of movements, with platforms embodying many contradictory demands. There was a social movement, but it was huge, unwieldy, vague as to its ideals, changeable in its attitude and flickering in

its purpose. It knew that there was something wrong, but neither as to the fault nor as to the remedy could its elements agree.

The element that gave form and direction to this movement was the Socialist Party. It rejected the rigid mechanical order pictured by Bellamy, and proposed a cooperative democracy that, outside definite economic restrictions, left the individual free. It set standards to thinking and effort which could not be evaded or ignored. Its propaganda was persistently carried far and wide. Under its challenging fire increasing numbers of men and women were compelled to ask themselves whether or not they accepted this social philosophy, this interpretation of the causes of social ills and this proposal for a thoroughgoing readjustment. Wherever men met they found this subject insistently before them; and they ranged themselves as Socialists, as near-Socialists or as anti-Socialists.

By a tentative agreement the groups that, a year later, were formally to combine as the Socialist Party, cooperated in the Presidential campaign of 1900. They polled a total of only 96,116 votes. In the State and Congressional elections of two years later the vote reached 221,021. In the Presidential campaign of 1904, aided somewhat by Bryanite defections from the Democratic candidate, Judge Parker, it went to 402,321. Two years later, however, local progressive candidates drew away many supporters, with the result of an uneven poll and an average total of only about 300,000 votes. The campaign of 1908 was waged with a systematic thoroughness, and hopes of exceptional results were entertained. But the count of 420,464 showed that the party had done little more than recover the ground lost after 1904.

It was with the beginning of 1910 that the growing Socialist and progressive sentiment began to find effective expression at the ballot box. In the Spring elections the party carried Milwaukee (though by a minority vote) and scored a number of successes in other municipalities. In November a total of 607,000 votes was polled; in Milwaukee a Representative in Congress, Victor L. Berger, was elected, and

in several States Socialists won seats in the Legislature. Local elections in 1911 continued these successes. Eight cities, including Schenectady, were captured. In the Spring of 1912 it was estimated that there were at least 1,141 Socialist office holders in thirty-six States and 324 municipalities. In the November elections the vote reached 901,062, or 6 per cent. of the nation's total, a record not again to be even approximated.

The Progressive Party was a phase of the general social insurgency, localized in the Republican Party. In spite of the disclaimers of its leaders, it was largely influenced by Socialist propaganda. Resentment against the reactionary policies of President Taft brought on an intraparty conflict, which resulted, in 1910, in the election of a Democratic House of Representatives. In the sessions of 1911-12 the factions drew further apart, and it became doubtful that they could be effectively reunited for the approaching Presidential campaign. Now came a quarrel between two of the leading industrial interests in the Republican Party, and this quarrel gave occasion for the transformation of the Progressive movement into the Progressive Party with a platform of which nineteen planks were virtually identical with certain "immediate demands" in the Socialist Party platform of the same year. Never before had a major party taken ground so advanced.

The Democratic Party platform, though less specific in its proposals, was yet more deeply informed with the spirit of social progress than had been any of its predecessors. Moreover, the Democratic candidate was generally regarded as one whose views were more advanced than those of his party. Thus, with the Democratic, the Progressive and the Socialist Parties asking for votes on the promise of more or less sweeping reforms, conservatism found expression only in what was left of the Republican Party; and from the beginning of the campaign this faction was recognized to be a thing of little consequence. The elections registered the Progressive sentiment of the nation. Of the 15,052,507 votes polled, conservatism could claim but 3,485,039.

Accompanying this political expression

of progressivism there was a coincident expression in non-political fields. Organized labor was stirred with a new spirit. The cooperative movement developed. Voluntary societies for the advancement of many causes appeared. On every hand one heard of campaigns in behalf of workmen's compensation, the minimum wage, pensions for mothers, child welfare, factory reforms. The American people were alive to the sense of social effort, and the best among them were lending a hand.

#### EFFECT OF WORLD WAR

Across the stage thus set for new conquests toward justice and freedom swept the reverberations of the European conflict. The elaborate machinery which had been set up to safeguard peace had failed; the protests and threats of the Socialists of the contending States had proved impotent. The effects in America were immediate and far-reaching. There came a chill to social fervor, a reawakening of the passions of race and nation. Projects regarding the economic structure seemed shadowy things compared with the issues for which armies were contending on the other side of the Atlantic. Quickly men realized where their sympathies lay; and in spite of the Presidential counsel to be neutral in thought and deed they knew that neutrality was impossible. The various elements of our population reacted to their older and deeper loyalties. The majority of the people took sides with the Allies; the foreign strains in the population supported, in general, the Central Powers.

For the time the ideal of a new order was blurred, and interest in social progress faded. The propagandists of a hundred causes went on with their work, earnestly in some cases, perfunctorily in others, but with a declining popular response. In that year (1914), running over into the next year, were held the sessions of the Federal Industrial Relations Commission. The thoughtful followed its investigations with eagerness; the hopeful built thereon great expectations. The revelations of social injustice which were then given to the world would in another time have brought about radical reforms. But the net result was nothing, and in a year

or two the commission and its work were well-nigh forgotten. The November elections registered the declining interest in social reform. In the nation generally the Progressive Party suffered great losses. In California, then regarded as the "sociological workshop of the world," though Hiram Johnson and his cabinet were re-elected, the vote showed an astonishing indifference to the Progressive program, all of the proposed amendments to the Constitution being defeated. The Socialist vote throughout the nation showed a loss on the straight ticket of nearly a third of the total of 1912. Two years later came further losses.

This subsidence of interest in social programs was perhaps inevitable. As the days went by there came a deeper realization of the menace involved in a German victory. When the nation's life is threatened there is little scope for social theory. But this subsidence need not have been other than temporary. It need have been no more than a resting spell, from which the movement would have emerged, on the declaration of peace, vigorous and aggressive. But the agency that had held the vanguard in this movement made such a revival impossible. By its conduct then and later the Socialist Party indelibly associated in all men's minds the cause of social reconstruction with national apostasy, treachery to the Republic and the wildest excesses of revolutionism.

Here was a party whose members had professedly emancipated themselves from chauvinism and racialism; professedly they supported peace, democracy and international good faith. Above all, they professed to be Socialists. Yet, as to most of them, the first shock of arms disclosed the pitiful truth that their socialism was a thin veneer, their support of peace, democracy and international good faith a thing of qualifications and subterfuges. Their racialism and nationalism, for all their disclaimers, were no less than other men's. The spokesmen of this party employed their time in futile denunciations of the war and in the passage of resolutions that served the cause of the German Government. They ridiculed the efforts of the Administration to apprehend German agents and provocateurs; they denounced American preparedness while acquiescing

in the preparedness already attained by the German Government; they demanded that exportations of money and munitions of war be forbidden—knowing full well that the enforcement of this prohibition would injure only the Allies.

There came in May, 1915, the frightful tragedy of the Lusitania. The declaration of the Socialist Party officials disclosed either that these men had forgotten the normal instincts of humanity or that they were fearful of losing, by any censure of this savage deed, the support of the alien rank and file. They had no word of concern for the victims. They chose to forget that for generations men had striven, by international agreement, to set limits to wartime cruelties. They condemned war—all war, and in terms which made no distinction between Belgian defender and German aggressor. And, of course, they condemned capitalism as the alleged invariable cause of war.

The Socialist Party's attitude was most strikingly shown in the general referendum on military preparedness in the Winter of 1915-16. By a vote of 11,041 to 782 the membership decreed that any Socialist official supporting the expenditure of money for naval or military purposes should be expelled from the party. The vote showed that the American element had almost wholly disappeared from the party, and that the membership had reached a stage of servility to the Central Powers. That in later times, under the stress of new conditions, a large part—perhaps a majority—of these alien Socialists deserted the party and became Communists, is one of those ironies that crowd the historical page. From August, 1914, to Armistice Day, 1918, they were partisans of the Central Powers, from which many of them were refugees. With the collapse of the Central Powers, their old obligations were quashed, and they took on a new allegiance—an allegiance to Soviet Russia. Their choice is at all times to be anti-American.

With America's entry into the war the alien peoples who had supported the cause of the Central Powers had to meet the test of loyalty. To the honor of most of them be it said that they met it, with whatever reluctance, in a manful way. They had done all they could in behalf of their for-

mer nations; their cause had failed, and they turned about and gave loyal support to the land of their adoption. With one notable exception, the subversive and seditious groups that for a time thereafter flourished were not composed mainly of aliens, but of Americans. That notable exception was the Socialist Party, now resolved to continue its headlong course to self-destruction. In the second week of April, 1917, it held, at St. Louis, a special convention. The purpose was to declare the party's attitude on the war. Before the convention were two courses. It could approve John Spargo's declaration, accepting the war as a fact, and urging upon the Government a program of democratic collectivism. On the other hand, it could ratify the policy followed for nearly three years and in effect declare war upon the Government. By a sweeping majority the convention denounced the action of the Government and pledged the party, by all means in its power, to a "continuous, active and public opposition to the war." "In all modern history," read the declaration, "there has been no war more unjustifiable than the war in which we are about to engage"; and the Government's action was held to be "a crime against the people of the United States and against the nations of the world."

Leaders and followers were of much the same mind; and the membership, by a vote of 21,639 to 2,752, endorsed this seditious fustian. It served as the keynote of the municipal campaigns in the following Fall. Socialism and social welfare had become a minor issue. The major issue was the war; and the party spent its efforts in rallying the heterogeneous elements opposed to American intervention. By all means that did not bring actual collision with the law, and by some means that did, it carried on a campaign of rebellious incitement. It brought together not only the more outright partisans of the Central Powers, but also all those indirect supporters of aggressive militarism, many of them of American birth, who call themselves variously pacifists, non-resistants, conscientious objectors, philosophical anarchists, radical intellectuals. In the mayoralty election in New York City the now augmented party cast an unprecedented vote, some 21 per

cent. of the total; and in fourteen other cities where the alien population was large an average of this percentage was maintained. Few of these disloyalists had any concern for socialism or for the party, or even for any minor social change; and by another year, as the elections showed, they had turned elsewhere.

There came, indeed, in the last months of the war, a remarkable revival of social hope. But it was a revival that bore little relation to socialism and none to the Socialist Party. Rather it was based upon the age-long promise of democracy, now certain of success on the battlefields of Europe. It was vague and emotional, little concerned with creeds and programs, but prompted by the belief that a democracy triumphant over a military autocracy was capable of shattering an old order and bringing in a new. From this upsurge of fervid hopefulness the Socialist Party gained nothing. At its height came the November elections (1918), and the party polled but an insignificant vote. Out of that social revival might have come a great forward movement. But then followed an epidemic of revolutionary madness; and under the dread and fear of that spectacle the world settled back into old ways, defending the established order against an intolerable menace.

The war ended in victory—such a victory as the world had never before known. The way forward was open. Some degree of reaction, it is to be admitted, might reasonably have been expected; for it is the nature of the mass, when through terrible sacrifice they have won a great cause, to turn about and ask if it were worth all that it had cost—to falter and halt and thereby give opportunity to the enemies of progress to seize all the advantages. Under other conditions this reaction need have been no more than momentary. The world was prepared, as never before, for social change. Now, however, came a juncture of conservatives and radical extremists—of reactionaries of the Right and reactionaries of the Left—who, in effect, joined hands to neutralize every benefit of the victory.

A group of ruthless and fanatical intellectuals in Russia, calling themselves the proletariat, had seized the supreme power. Here was political romance in its most dra-

matic form—a spectacle certain to impress itself powerfully upon all excitable souls in the ranks of American insurgency. For the first year, however, the effect was hardly appreciable. Wartime laws and community pressure effectively restrained the exuberance of the susceptible. But with the armistice came a release of repressed emotions. Bolshevism became a mania, which took its toll of victims from all groups and classes. This frantic devotion to Soviet Russia on the part of men and women professedly the supporters of democracy, freedom, justice and brotherhood, is a phenomenon as yet not fully explained. Those who had rent the air with clamors for civil liberty, who had violently protested against "persecution for opinion's sake," now revealed themselves as persons who had no concern for liberty of opinion as a condition or a principle. They wanted freedom for themselves and for those conceived to be their allies; but for all others, suppression.

In days to come the year 1919 may well be known as "the year of madness." But it was for more than a year that the frenzy lasted. Though by the beginning of 1920 it had passed its climax, it was still widely disspread and it lived on into the Summer. With the crushing defeat of the Red armies before the walls of Warsaw, in August, it came under control. This salutary shock worked wonders. Socialist, anti-militarist, radical Democrat, "pacifist," "friend of humanity," "lover of justice and brotherhood" and most of the others of this deluded crowd that had so exultingly followed the successes of the Soviet armies, now sadly took the road toward recovery.

The long fight in the Senate against the League of Nations had gradually depressed the popular hope of a reconstructed world. A bewildered people saw radical and conservative combine to defeat an ordered peace. To cap this tragedy, the epidemic of Bolshevik frenzy aroused a general revulsion. It left consequences of incalculable evil. For years to come social effort will find its greatest obstacle in the mass fear of revolutionary excesses. The professed heralds of the new day had shown themselves the advocates of the return of an older day.

# The Issues of the Anthracite Problem

By ERNEST J. EBERLING

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[*A reply to Professor Eberling's article will be printed in the June issue of CURRENT HISTORY*]

THE ending of the anthracite coal strike, the longest in history, and the estimated loss to all concerned of nearly one billion dollars, have stimulated interest in the anthracite problem as one of the most exigent now before the country.

The problem is complex and intricate. Even the United States Coal Commission of 1922, which spent \$600,000 in an investigation of the coal industry, failed to reveal many facts essential to a clear understanding of the questions involved.

There is a vital public interest in the production of anthracite. Such a conviction was reached as early as 1902, when conditions much worse than at present obtained in that industry. Various Government agencies have investigated the conditions pertaining to the production and marketing of anthracite coal within the last six years and have recommended varying degrees of public control. Strikes such as the recent one cause the public to infer either that the miners are unreasonable in their demands for better conditions, or that the industry which refuses better wages cannot pay them, or that it can pay them and will not.

Directly west of New York City about 160 miles, in Pennsylvania, and covering an area of 430 square miles is the location of the anthracite fields. Anthracite coal is used largely for domestic purposes. Because of the increasing depth of the mines, its necessary cost will slowly increase in future years. Steeply pitched beds also increase the cost of mining. It is usually estimated that at the present rate of consumption, the supply is sufficient to last from 150 to 200 years. The present and future supply is owned and controlled by a few large companies. These operating companies are largely controlled by the anthracite railroads, a control which has

proved very profitable to them. The large operating companies and the railroads have an established tradition of working together, so that to a great extent they have regulated and stabilized the market prices.

In contrast to this situation, bituminous coal is found over 20,000 square miles of area in Pennsylvania alone and underlies most of the Appalachian plateau from Alabama to the northern edge of Pennsylvania. There are also extensive fields in Illinois, Indiana and the Rocky Mountain district. We have scarcely begun to tap these great resources. Bituminous coal deposits are found in twenty-six States, whereas anthracite is confined to ten counties in Eastern Pennsylvania. Widespread dissemination of ownership and keen competition characterize bituminous mining, while close concentration of the industry in a few companies and monopoly are characteristic of anthracite.

The disposition of the fine sizes of anthracite known as buckwheat, rice and barley, which must be sold at a loss in competition with bituminous coal, constitutes a special problem for the anthracite operator, and the cleaning and preparation of his coal are so much more extensive than that of bituminous coal as to justify in part his claim that his is a manufacturing as well as a mining enterprise. For these reasons the anthracite producers wish to be regarded as a separate industry.

While anthracite is subject to sudden interruption of supply due to strikes and lockouts in much the same manner as bituminous, it should be noted that there is a current undersupply of anthracite. For ten years there has been practically no increase in the production of the domestic sizes of coal suitable for household use, although the population dependent on this coal has steadily increased. Because of this situation the market has been quick to absorb

the tonnage offered in recent years at the price quoted by the shipper. This situation raises the question as to why this undersupply has existed and also whether the producers, taking advantage of their natural monopoly, have extracted from the consumer a steady monopoly profit.

Contrast the situation prevailing in the bituminous fields. For years there has been an oversupply of bituminous at prices profitable to many producers. Prices have not been stable and competition has been severe. The United States Bureau of Geological Survey estimates that a sufficient supply of bituminous could be produced with 175,000 fewer workers in this industry.

According to the United States Coal Commission of 1922, seven large coal companies own and control among them 75 per cent. of all the anthracite mined. They also own and control about 90 per cent. of the future supply of coal. Because these seven large companies are largely owned and controlled by the anthracite railroads, they are called the "railroad coal companies." The rest of the coal is mined, washed from culm banks and dredged by a large number of small firms and individuals known as the "independents." These independents lease their coal lands from large land estates. About 70 per cent. of the tonnage the anthracite roads carry is coal. In turn this coal is sold to distributing companies or individuals, who buy the coal from the anthracite mining companies and wholesale or retail it to the consumers. In many cases these distributing companies are owned by the mining companies. Many of the coal sales companies are simply selling departments of the mining companies.

The same closely knit organization is found among the miners of anthracite. The anthracite miners practically all belong to the United Mine Workers of America and compose three districts of that organization, usually known as the anthracite jurisdiction. The Wyoming Valley region is organized into District No. 1, the Lehigh Valley region into District No. 7 and the Schuylkill Valley region into District No. 9.

In 1902 the United States Anthracite Commission, appointed by President Roosevelt, gave the anthracite industry its present form in dealing with industrial disputes.

Its main work was not so much a recognition of the union nor an increase in wages as the establishment of a bi-partisan conciliation board to settle local disputes within the agreement it recommended. The Presidents of the three districts, Rinaldi Cappelini, Andrew Mattey and C. J. Golden, now represent the miners on the conciliation board and in the negotiation of wage agreements, for which latter purpose they are joined by the members of the executive boards of the three districts. Before the expiration of the wage agreements, which have usually run for two years, the miners hold a convention of all three districts to formulate their demands. The result of the negotiations with the operators must later be accepted by a full tri-district convention. The anthracite miners send delegates to the national conventions of the United Mine Workers of America and are bound by its decisions.

This machinery for settling disputes in the industry worked with great success until 1920. Mine committees were established in 1912 to provide more direct attention to complaints arising in the industry. The anthracite workers, like all labor organizations, have had to fight for what they have obtained.

In 1920, because of the demand of the public for relief from the anthracite monopoly, the United States Anthracite Commission was organized with W. O. Thompson as Chairman to investigate the problem of anthracite. The miners prepared statistics at a great deal of expense, showing the paying power of the anthracite monopoly. The commission excluded the data from its material and focused the discussion on the cost of living. Mr. Arthur Gleason, in attempting to explain why the commission failed, said:

To this United States Coal Commission the coal owners had nothing to say and said it; the miners had much to say and were not allowed to say it. They wished to discuss profits. The operators protested. The commission ruled out profits, so the public never learned how much it pays to the monopoly in profits. It only heard the miners asking for more wages. The rest was silence. The status quo always wins, if evidence against it is excluded. So the commission failed because it settled nothing. The coal owners were already settled, entrenched and established, and the commission left them where it found them. The miners were already unsettled and the commission

did not deal with the elements of their distress.

What actually happened during the 1920 negotiations has been explained as follows: The way the miners understand it is that before the 1920 commission was appointed, the operators made an unaccepted offer of 17 per cent. Then Secretary of Labor Wilson suggested a 17 per cent. increase in wages. The purchasing power of the dollar had been dropping rapidly and the miners refused to accept this. President Wilson then appointed the commission, consisting of an operator, a miner and a representative of the public, who was Chairman. The miners' data on profits and combination were then excluded and an economist was engaged to collect data on the cost of living. The Chairman agreed to accept his report. The economist reported in favor of a 27 per cent. increase, which it seems would have been acceptable to the miners. The operators' Commissioner objected. The economist was thereupon given indefinite leave of absence and three days later the Chairman came in with a 17 per cent. verdict.

The miners have wondered how this Chairman happened to arrive by himself at exactly the 17 per cent. increase Secretary Wilson suggested, and what mysterious influences were working in the mind of the Chairman to make him act in the peculiar way he did. The strangeness of this procedure left the miners disinclined to trust their fate to similar bodies.

It should be emphasized that the miners have had little experience of arbitration. The Conciliation Board established by the Roosevelt commission has never arbitrated. The umpire has refused to change any of the working conditions frozen tight by the 1920 agreement.

After 1920 many investigations were made of the anthracite coal industry. The Senate subcommittee on the increased price of coal investigated both the anthracite and bituminous coal industries, and the Chairman, Senator Frelinghuysen, introduced a bill into the Senate in March, 1920, providing for the appointment of a Federal Coal Commissioner, with compulsory powers of investigation into all the facts of the industry. The coal lobby was blamed for the defeat of the bill.

The Senate Committee on Manufactures investigated both anthracite and bituminous coal, and on March 4, 1921, former Senator Kenyon introduced a bill to empower the Federal Trade Commission, Interstate Commerce Commission and the Geological Survey, in accordance with their respective functions, to gather information respecting ownership, production, distribution, costs, sales and profits in the coal industry.

The Senate Committee on Reconstruction and Production, under the chairmanship of Senator Calder, investigated the coal industry and Senator Calder offered a resolution in the Senate in March, 1922, empowering the Federal Trade Commission to make an inquiry immediately into the conditions in the production and distribution of coal and to report its findings to the Senate as soon as possible.

In 1922 Congress passed and President Harding signed the Borah-Winslow bill, providing for a Federal coal commission of seven non-partisan members to investigate both the anthracite and bituminous industries. This commission expired by limitation of statute on Sept. 22, 1923. Its active life was eleven months. It employed at one time more than 500 persons and spent a little less than \$600,000. Its report will fill, when published by Congress, seven large printed volumes. The report of the commission up to the present time has been released to the public on mimeographed sheets.

What did the miners want and what were the facts leading up to the recent strike?

The miners demanded (1) increased wages, (2) full recognition of the union, (3) uniformity in the wage rates of the industry. They based their argument on (1) the fact that the present wage, averaging \$1,500 a year, is not sufficient for a satisfactory living, (2) that the hazard of life and health involved in mining warrant more than a living wage in exactly the same way capital holders feel that investment with risk deserves a greater return than investment without risk and (3) that the high prices and large profits made and believed to be made by the anthracite combination give the miners a sense of denial.

The bulk of the work in an anthracite mine is done by contract miners, contract miners' laborers and day laborers inside and outside the mine. The first two classes of workers are piece workers; the last group work on an hourly rate or day basis. Under the terms of the award of the Roosevelt Commission of 1902, made in March, 1903, the contract miners and their laborers were given an increase of 10 per cent. The remaining employes were paid on the basis of a nine-hour day the same wages as were paid in April, 1902, for a ten-hour day, with proportional hourly rates for overtime. The award supplemented these increases with a sliding scale of wages based on wholesale prices at New York harbor of prepared sizes of coal. This added a compensation of 4.2 per cent. for the period during which the sliding scale was in operation.

The award did not change the basis of wage payment or the working conditions under which coal was mined. No attempt was made to equalize wages or to remove inequalities. Hours of work were shortened and increases in wages were granted, but they applied equally to all workers of a given occupation. The intricate system of wage payment, together with the many differentials in rates as well as inequalities, which were determined by individual bargaining under severe competitive conditions many years before, were taken over by the Anthracite Commission and crystallized. These rate adjustments remained unchanged until 1912, when a 10 per cent. increase in rate was given to both piece workers and day workers. However, the sliding scale was abolished. The 1912 rates continued until 1916, when a new agreement was made, but with little change. This agreement was to run until 1920, but on account of the war, revisions of the rates were made in 1917 and 1918. Further increases were granted in 1920 and 1923.

The United States Coal Commission found in 1923 that in the main the haphazard rate structure of 1902, slightly modified by rulings of the Board of Conciliation and action of mine committees, still existed. The injustice of this situation is well pointed out by the commission:

In one district company miners are now paid fifteen rates in twenty-two mines, and in another district thirty-eight different rates in sixty-five mines. Similarly in the same district, outside occupations like carpenters, may have thirty-seven different rates in twenty-two collieries. In the same mine, miners working the full year range from \$1,698.14 for 282 days to \$6,414.64 for the same number of days.

To look at the history of wage receipts of the anthracite coal miners in another way, we find that in 1902 the mine workers received for mining and preparing a ton of coal \$1.15 which was worth \$1.49 in 1913 dollars. In 1912, before and after the sliding scale of wage payment was abolished, the mine workers received for the same work \$1.42, which was worth \$1.44 in 1913 dollars. In 1917 the miners received for the same work \$1.56, which was worth \$1.14 in 1913 dollars. In other words, they were getting 20 to 30 per cent. less in real wages than in 1902 and 1912. In 1921 the mine workers seem to have received 50 per cent. more in real earnings than in 1902 or 1913. Twenty years of negotiation and some strikes had put them ahead 244 per cent. in nominal income, but only 50 per cent. ahead of 1902 in real income. In 1919 and 1920 the mine workers received for the same work an average of \$3.15, which was worth \$1.59 in 1913 dollars. In 1921 the mine workers received about \$3.94, which was worth \$2.22 in 1913 dollars.

Contract miners now average, according to the United States Coal Commission of 1922, about \$1,922 annually. Of course, there is a great variation in individual earnings, or a range of \$1,400 to \$6,000 for the same number of starts. From the average earnings per capita quoted above there should be deducted \$200 a year for machinery and mine supplies. It should be recalled that this class represents the best skilled men in the industry with a technical ability acquired from long experience. It is also true that these men lose much time in a year's work. The Coal Commission reports that four-fifths of the contract miners worked less than 260 days during the year investigated and says that "the average loss of mine time amounts to more than one month out of twelve, which must be considered a source

of substantial curtailment in the possible earnings of this group."

The contract miners' laborers constitute one of the most poorly paid groups in the field. They are paid partly by the company and partly by the miners, but their wage increases depend upon general increases. Three-fourths of these men earn less than \$1,500 a year. The turnover is very high, reaching 416 per cent. in some instances. One-half of this group work less than 230 days per year. The high turnover in this class is probably accounted for by the low wage paid. The Coal Commission said of this group: "Their families have a very uncertain and inadequate income; they are frequently in economic distress."

Inside and outside day men constitute one of the largest groups in the industry. These men are paid a flat rate by the day or hour. The day rate varies from \$4.62 to \$5.96. These figures include only adult workers. For example, the average daily earnings of blacksmiths in 1924 was \$5.35, for carpenters \$5.25, engineers \$5.00. The earnings of the inside and outside boys average much less. In this group slate pickers, for instance, average \$2.85 a day. Seven out of ten inside day men earn less than \$1,500 per year. Any outside day men who earned above \$1,600 per year worked as many or more days than there are in the calendar year, through overtime work at night, or 95 days more than the industry averaged in 1924.

#### LOSSES OF TIME

As already suggested, any study of the wages of the anthracite workers should take into consideration the great amount of time lost by miners due to shutdowns, sickness and accidents. The United States Coal Commission says of this factor:

A considerable number of miners lose some time during the year through illness, accidents, shutdowns, bad conditions of working places, or other causes beyond their control. Frequently when a contract miner finishes driving his working place, it may be some time before he gets another place to work. To give the earnings, therefore, of only those who work for the full year would eliminate all loss of earnings which were beyond the mine worker's control, would reflect only the cream of the earnings and would give an exaggerated idea of the earnings of the

miners under actual conditions of everyday life.

It is a fact that the accident rate for mining is higher than for any other industry in the country. For coal mining the rate was 3.5 per 1,000 in 1913, according to a study made by the United States Bureau of Mines, while for general manufacturing the rate was .35 per 1,000. In 1923 there were 29,192 men injured in the anthracite mines. In 1924 the number was 30,241 injured. An average of 550 men a year are killed in the industry. Moreover, the occupational disease rate is very high, especially on account of respiratory diseases.

Can the industry afford to pay the increase without increasing the price of coal to the consumer?

After the 10 per cent. increase in wages of 1923 very few of the companies marketing any considerable amount of tonnage absorbed any part of the increase. The great majority of the operators passed the increase on in full to the consumer. The lowest price for company coal f. o. b. mines for New York market before the strike was \$8 per gross ton; after the strike the lowest price was \$8.75. Before the strike the highest price for company coal was \$8.35; after the strike it was \$9.35. The lowest price for independent coal before the strike was \$8.50; after the strike it was \$9.85.

The cost and investment figures are known for seven railroad coal companies producing over 62 per cent. of the annual commercial producton. In January-March, 1923, these companies had a margin of \$1.07 per ton (see Table No. 75 in report of United States Coal Commission). Of this margin 5 cents per ton is paid as interest on bonded indebtedness, leaving \$1.02 for distribution in dividends to stockholders or for the adoption of wage increases. The actual cost of the investment of these companies has been found by the Coal Commission to be \$168,406,000. A 6 per cent. return on this investment, it has been estimated, would be somewhat less than 23 cents per ton. An 8 per cent. return would be 30 cents per ton. This would leave from 72 cents to 79 cents per ton for the absorption of wage increases or for the lowering of the cost of coal to the consumer.

The miners believe that excessive returns have been made in the coal industry, and they have made several very extensive statistical studies confirming such a belief. It is their view that there are overcharges on mining, landowning, transportation and distribution which amount to \$3.60 per ton. John L. Lewis, President of the United Mine Workers of America, states that the Lehigh Coal and Navigation Company reported profits in 1922 of \$1,500,000, \$3,500,000 in 1923 and \$2,500,000 in 1924. The anthracite operators claim the books of this company show for 1922 a net loss of \$402,938, in 1923 an income of \$1,703,765, and in 1924 a net income of \$131,274.

It cannot be denied that the ownership of coal mines has been extremely profitable to the anthracite carrying roads. Seven of them earned an average of 13 per cent. on their capital stock in 1919 and 16.12 per cent. in 1920. During these same years all the steam railroads of the country earned 6 1-3 per cent. on their capital stock in 1919 and 6½ per cent. in 1920. This ownership and control of the coal companies by the anthracite railroads has led the independent companies to charge that part of the profit of coal mining is hidden in the railroad profits.

The distributing companies have been found by the Coal Commission to be a necessary factor in the distribution of anthracite, but also—because of conditions of overdevelopment, speculation and duplication of function—their activities tend unduly to enhance prices to the consumer. It recommended the collection and distribution of statistics regarding the production and distribution of coal which would enable the public to act intelligently in demanding coal at a fair price from each of the factors engaged in distribution.

In referring to this whole question of profits the United States Coal Commission of 1922 made two very pertinent statements. The first was:

Because of the large increase in operators' margins since the strike of 1922 and the possibility of further increases in prices as a result of the recent settlement (1923) we believe that such current publicity as to costs, margins and profits should begin at once. Unless the public is protected by publicity of accounts, we are apprehen-

sive that the concentrated control of the industry make take indefensible profits.

In speaking of the limited supply of anthracite the Commission said:

At present the supply of unskilled laborers is the immediate limiting factor in the industry. \* \* \* This has been the condition since 1916. It may not be described, however, as a physical limitation over which the operators have no control. Other industries employing similar labor have increased the working forces during this period, notably the bituminous mining industry, to an excessive degree. It therefore appears that earnings and conditions of labor offered by the anthracite industry viewed in the aggregate have not attracted labor in the same degree as have the wages and conditions offered by other industries.

The second major demand of the miners was for full recognition of the union. This involved the granting of the check-off privilege by the operators. Briefly stated, this means the deducting of the miner's dues from his wages by the operators, with the voluntary assignment of such right by the miner to the operator. The union leaders, in demanding this, felt that it would save them certain administrative costs and that it would make possible a more efficient enforcement of any agreement made. They believed that it would cost the operators nothing, as they already deduct items for house rent, house coal and miners' supplies from the miners' wages. This privilege has been a demand of the anthracite miners since 1900. The operators are primarily opposed to it, as they fear the acquisition of large funds belonging to the miners, which will greatly strengthen their position in the industry.

The third demand of the miners was for uniformity of wage rates, and without doubt it was the most reasonable request of all. Even the United States Coal Commission admitted the justice of this demand. Some of the injustices of the present rate structure have already been pointed out in this article.

I believe that the miners have been and are still underpaid, especially when we consider the loss of time involved in the occupation, together with the many hazards to life and limb; that the industry can pay higher wages without raising the price of coal to the consumer, and that the

industry should spend more money in attempts to cut down the high accident rate. If it is true that 50.62 per cent. of the fatalities last year were due to the carelessness of the victims, as the operators say, quoting the Pennsylvania State Department of Mines, then money should be spent and time taken to instruct the miners more thoroughly as to the risks of the industry and the imperative need for constant care in their work. Finally, if, as Mr. Lewis says in one of his speeches, the granting of the check-off would not make the miners' organization any stronger, if they have grown to their present strength without it and are fully organized now, then I think he ought to be willing to waive this demand.

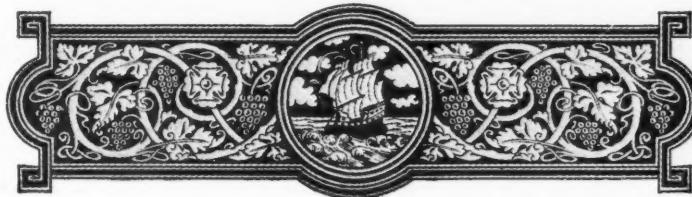
If the strike that was recently ended forces Congress to make a thorough study of the splendid report of the last Coal Commission, and if its three major recommendations are approved by Congress

through the enactment of the appropriate legislation, then the recent situation in the anthracite industry may in the long run be more productive of good than harm. The three major recommendations of the commission are:

(1) In case of impending strikes the President shall have the power to declare a national emergency and during that time fix wages, prices and royalties;

(2) There shall be complete publicity of accounts through Federal agency with power to compel reports and prescribe the form of accounts;

(3) Differential taxation should be applied to differential advantage. Sweeping horizontal cuts cannot be made in present prices and margins without serious injury to many high-cost operators whose output is needed. Taxes falling lightly on the low-profit operator and more heavily on the high-profit operator in proportion to his ability to pay will benefit the consumer indirectly through lightening the tax burden elsewhere and will accomplish this without raising prices.



# Discovery of a New Chemical Element

By WATSON DAVIS

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MAN is discovering the building blocks of the universe. Some of them, such as gold, he has known since the earliest times. But others, bearing strange names, have been masked for ages and only now are being revealed by the supersensitive new eyes of science. Many of these obscure chemical elements seem to be of little practical use to the world; but remember helium, first found in the sun, then produced in quantities of a cubic inch or so here on earth, and now supporting giant dirigibles in the air. With the discovery of the new chemical element 61 by Professor B. S. Hopkins of the University of Illinois, only two more of the full complement of 92 elements remain to be discovered. Illinium, number 61, is the first chemical element to be isolated by an American; since Americans have been actively at work attempting to isolate element 87, another gap in the list may eventually be closed through the efforts of American science.

Science often has the powers of prophecy and in the case of unknown elements it has been able to christen them, tell their chemical faults and virtues and otherwise describe them, in many cases long before they have been separated from the more common and better known fundamental stuffs. Mendeleeff, the great Russian chemist, by discovering that when he arranged the elements in the order of their ascending atomic weights there were gaps as yet unfilled, gave science one method of predicting what the undiscovered elements would be like. In the periodic table of Mendeleeff, elements with similar physical and chemical properties come at recurring intervals, and within such groups, lithium, sodium and potassium, for example, the elements have similar properties. A missing element, represented by a gap in Mendeleeff's table, can be described with some accuracy from its position and the company that it will keep when discovered. In 1913 and 1914 H. J. G. Moseley, shortly

afterward killed in the World War, demonstrated the increased frequency of the X-ray spectra as the list of elements is ascended, and that therefore the element on the basis of its X-ray spectra can be given a number, called the atomic number, that determines its place in the periodic table. Spectrum analysis showed places for 92 elements in the scheme of things and by its means many more of the gaps have been filled. Professor Hopkins used the spectroscope and the X-ray in the discovery of element 61.

Four hundred pounds of monazite residues, donated by one of the big manufacturers of gas mantles, yielded the new element only after this quantity of rare earth material had been subjected to repeated fractional crystallization. Professor Hopkins found it extremely difficult to separate the new element, illinium, from neodymium, another element, which masked its presence. Knowing what spectral flags, as it were, the new element should fly when it is detected with spectroscope and X-ray, Professor Hopkins bases his claim of discovery on many new lines in the spectrum, prominent bands in the absorption spectrum in the expected position and lines in the X-ray spectrum in the predicted position. Little practical use for illinium can be predicted as it is just another of a large family of very closely related and much mixed up rare earths. Some of these rare earth elements make up the incandescent part of gas mantles in everyday use, and it is probable that small amounts of illinium are actually contained in such mantles.

The two elements still missing are numbered 85 and 87. Efforts to locate element number 87, called prenatally, ekacaesium, were made at Harvard by Professor T. W. Richards and Dr. E. H. Archibald in 1902 and again by Professor G. P. Baxter in 1915. All these experimenters made successive fractionations of caesium nitrate and other caesium salts. Element 87 is known to belong in the alkaline group.

which includes sodium, potassium and caesium. Later attempts were made by Professor L. M. Dennis and Dr. R. W. G. Wyckoff at Cornell University in 1919 fractionating caesium alum and caesium perchlorate obtained from the mineral pollucite. In all cases spectrum analysis of the final products of fractionation failed to yield any lines that could not be attributed to elements already known. These final products were also examined for signs of radioactivity with negative results. Likewise in further studies of radioactive decomposition no evidence has been found for an element having the properties of an alkaline metal. No work reported has been done in an attempt to isolate element 85, which when discovered will be in the same group as iodine. The chemical elements most recently discovered are:

test the ether drift, both of which used a charged condenser, somewhat similar to the condensers used in radio receiving apparatus. In the first one he sought to observe the magnetic field which should be produced by the motion of such a condenser through the ether, but none was observed, although it was performed at altitudes of 65 feet, 1,850 feet and 11,400 feet, the last mentioned being on the Jungfrau, one of the highest peaks in the Alps.

The other experiment was one originally performed in England by Professor F. T. Trouton and H. R. Noble of the University of London, in 1903. This consisted in suspending a light disk-shaped condenser, also electrically charged, by a fine wire, so that it was free to turn. If the ether were drifting by, the condenser would tend to hang at right angles to the direction of the drift, so

NUMBER	NAME	DISCOVERER	COUNTRY	YEAR
72	Hafnium	Coster and Hevesy	Denmark	1923
43	Masurium	Noddack	Germany	1925
75	Rhenium	Noddack*	Germany	1925
75	Bohemium	Heyrovsky and Dolejsek*	Czechoslovakia	1925
61	Illinium	Hopkins	United States	1926
87	Ekacaesium	Undiscovered	.....	....
85	Unknown halogen	Undiscovered	.....	....

\*Claimed by both.

#### ETHER DRIFT EXPERIMENTS

In the field of physics, the great question of whether or not there is an ether drift still attracts attention. Dr. Dayton C. Miller of the Case School of Applied Science at Cleveland, it will be remembered, repeated the Michelson-Morley experiment on Mount Wilson, 6,000 feet above sea level. This experiment measures the difference in the time taken by two beams of light to travel in two paths at right angles to each other. While a negligible effect was obtained when it was performed at Cleveland, the Mount Wilson results showed what was apparently a drift through the ether, because the light beam traveling in the direction of the supposed ether drift took longer to return to the starting point than the one going at right angles to it. Dr. Rudolph Tomaschek of the University of Heidelberg has recently repeated two other experiments designed to

the experimenters hung it with its plane in the direction of the supposed motion through the ether, and sought to observe the slight turning of the condenser. No such turning was observed by the original experimenter or by Dr. Tomaschek at any of the altitudes, although his apparatus was sufficiently delicate to detect a relative motion of the ether and the earth much smaller than that indicated by Dr. Miller's results. As the Einstein theory of relativity was based partly on the fact that no such ether drift could be observed, and as Professor Miller's work has been said by some authorities to necessitate a considerable modification of the relativity theory, Dr. Tomaschek's work is taken as evidence in its favor.

#### NEW PHASE OF CANCER RESEARCH

It seems that there must be aid toward the conquest of cancer in the work of Mrs.

Margaret R. Lewis, Carnegie Institution anatomist, and Howard B. Andervont, Johns Hopkins graduate student, who have discovered two facts about the fundamental nature of malignant tumors. First, they found that, for one form in the chicken at least, cancer is a mass of white blood cells or corpuscles. White blood cells desert their normal function of being the soldiers of the body that repulse invading germs and poison, and, instead, run wild, multiply and gorge themselves until they form the mass of the malignant tumor. Heretofore the nature and exact origin of the cancerous mass has been unknown. Second, the investigators have discovered that cancer can be transmitted simply by injecting into the muscles of a healthy chicken either the blood plasma or the white blood cells of a chicken suffering from cancer. Not only is the simple inoculation by transplanted blood successful, but serial inoculations by means of blood have been continued through as many as four generations of malignant tumors. This is evidence of the infectious nature of cancer. Although it has been demonstrated that portions of cancerous tissue when transplanted will produce cancer in another animal, it was not known that one could thus transmit the infectious virus repeatedly from animal to animal by means of either the blood plasma or the white blood cells.

One of the kinds of cancer used in the experiments was the well-known Rous chicken sarcoma. Dr. Peyton Rous at the Rockefeller Institute for Medical Research proved that this tumor could be transmitted, not only by actual transplantation of its portions, but also that normal cells could be stimulated to malignancy by the mere filtrate from the tumor. Now this tumor and also a chemically produced cancer, Carrel's indol sarcoma, have been found by Mrs. Lewis and Mr. Andervont to consist essentially of white blood corpuscles and to be transmitted by inoculations of white blood cells or plasma.

Neither of these two cancers is exactly the same as those found in man. The term "cancer" is very similar to the term "fever" in that it is the general name of a large number of different diseases. But the chicken cancers studied are similar to some disturbances of the lymphatic and circula-

tory systems in man, such as enlarged spleens and other blood glands, which consist essentially of large masses of white blood cells that have gone bad. It is believed that the same general principles that govern chicken cancer are likely to apply to human cancers, even of the usual carcinoma or epithelial type, and that therefore through the study of chicken cancer human cancers may be better understood. Tumors can be produced in a large variety of ways. Seven different bacteria, two types of parasites, various chemicals such as coal tar derivatives, and viruses, when injected into animals will each produce malignant growths.

Fully as important as the discovery of the identity of cancer cells with white blood cells, is the discovery that the infectious agent of cancer is carried in the white cells and in the liquid or watery portion of the blood of a chicken suffering from tumor. The infectious nature of cancer itself has been very much debated, and the fact that Mrs. Lewis and Mr. Andervont have demonstrated that the plasma of tumorous chickens produces cancer in 75 per cent. of the inoculations and that the white blood cells produce cancer in 95 per cent. of the attempts is startling evidence. Transplants of the cancer tissue produce 100 per cent. results. The conception that cancer is caused by a virus of some sort, perhaps a micro-organism too small to be seen through the most powerful microscopes, may thus be supported. "The active tumor-producing agent must increase greatly," Mrs. Lewis explains, "for it is just as active in producing a tumor after it has been passed through a series of as many as four chickens, i. e., taking the blood from one chicken, inoculating this into another, waiting until the second chicken has formed a tumor at the site of the inoculation, then taking a little of the blood from this chicken and inoculating this into a third chicken, and so on until this has been carried as far as the fifth chicken. This discovery places the chicken tumor on the same basis as certain other diseases which are capable of being transmitted by the blood. This fifth passage of the tumor by means of the blood results in just as malignant a tumor, in fact, often

much more so than the original tumor. This is an entirely new point of view."

Cancer research is not the primary object of Mrs. Lewis's scientific work. She is an authority on cells, and with her husband, Dr. Warren H. Lewis, also of the Carnegie Institution's Department of Embryology, she has made many significant contributions to our knowledge of the blood cells. Mr. Andervont is on the staff of the department of filterable viruses of the School of Hygiene and Public Health of Johns Hopkins University. The investigations were carried out in the Laboratory of Embryology at Baltimore of the Carnegie Institution of Washington.

#### MAKING MINUTE ORGANISMS VISIBLE

So far it has been impossible to detect definitely the minute organisms which scientists have reasoned must exist because of the havoc that they create. Now, however, a new and original method, by which ultra-microscopic particles a thousand times smaller than those observed with the aid of ultra-violet light may be rendered visible, is described by Professor H. Bechold of the Institut für Kolloidforschung at Frankfort-on-Main, well known in scientific circles as a colloid chemist. The method is based on the fact that negatively charged colloidal particles combine firmly with certain metals. Professor Bechold began by immersing paratyphoid and other bacilli visible under the ordinary microscope in a solution of gold chloride, and subsequently reducing them to ash on a microscope slide, so that only their gilded shells remained. These could then be used as centres for the deposition of further gold from a suitable solution. The method was next applied to solutions of egg albumen, the particles of which are much too small to be visible even under the ultra-microscope. Nothing was revealed on ashing, but when the invisible gold particles were used as nuclei for the deposition of further gold, it was possible to count accurately the number of albumen particles present in a given volume. The particles of albumen counted in this way were found to consist, on the average, of only fifty chemical molecules apiece. The same technique was then used to examine filter-passing micro-organisms. Success was

claimed particularly in the case of the bacteriophage discovered some six years ago by the famous French-Canadian bacteriologist, d'Herelle. This bacteriophage is one of the great mysteries of micro-biology. It brings about the destruction of dysentery and other bacilli, but expert opinion is sharply divided as to whether it is a living organism or a ferment. At any rate, it is enormously smaller than the bacteria which it attacks. Professor Bechold has also attempted to gild the ultra-microscopic virus of smallpox, but so far without success, although he is continuing his experiments.

#### INOCULATION FOR TUBERCULOSIS

As in the case of cancer, treatments for tuberculosis in the past have made medical men extremely conservative in their commendation of new methods of combating this common disease. It is possible, however, that our descendants may be vaccinated for tuberculosis much as we now are for smallpox. The most recent results of the tuberculosis inoculation experiments of Professor Albert Calmette of the Pasteur Institute, and those of a German experimenter in this field, Dr. H. Selter of the medical faculty of the University of Königsberg, hold out promise. Attenuation of a disease germ to such a degree that it will confer immunity but will not cause serious illness has been the aim of many investigators for many diseases. Professor Calmette and his associates believe that they have attained such a weakened strain of bacilli by growing them for thirteen years in a medium consisting exclusively of bile. Some 4,517 children have been vaccinated by Professor Calmette since June, 1924. While detailed reports on all these cases are not quite ready for publication the following editorial comment of the Journal of the American Medical Association is significant:

The vaccinated children all come from an environment in which open tuberculosis close at hand made natural infection seemingly inevitable. The records for 423 infants for the first six months after vaccination have been published. Approximately one-third of these children have been exposed within the family. In not one of them has a death occurred from recognized tuberculosis, although thirty have died from other causes. Calmette and his associates have compiled figures

showing a mortality of 24 per cent. in three years for non-vaccinated children of tuberculous parents living under the same conditions.

Almost simultaneously with the last published account of Professor Calmette's results, Dr. Selter made the announcement through a German journal that to confer real immunity virulent living bacilli should be used for inoculation. In accordance with this theory he has vaccinated nine children with virulent tuberculous cultures none of whom seem to have suffered any ill effects. As in the French experiment, Dr. Selter used only children free from

previous infection but exposed to tuberculosis in their home surroundings. Drastic as introduction of virulent tuberculosis bacilli into the system sounds, he felt that the trial was well grounded on animal experimentation and that the method had proved itself harmless. In no case did the children suffer any impairment to their general health. He is careful to state that he does not think his method will replace natural acquired immunity, but he recommends that it be considered as an aid to infants who have to live in a tuberculous environment.

## Armies and Navies of the World

### THE UNITED STATES

**O**UTSTANDING among American developments in the field of national defense was the announcement by Secretary of the Navy Wilbur on March 4 that contracts had been awarded for 116 airplanes and 261 airplane engines at an estimated cost of \$6,500,000. The Secretary further stated that additional contracts for 100 bombing planes and 27 amphibian planes, at an estimated cost of \$3,700,000, would be awarded shortly. These contracts represent the largest orders to be submitted by the Government since the World War. They mark the first step in the new movement toward strengthening our aerial defenses.

A large part of the new aviation equipment for the navy will be required for the airplane carriers Lexington and Saratoga, which are scheduled to go into commission next Autumn. It was stated that these vessels would be "veritable" floating hangars. They will be heavily equipped with flying craft, and will be among the fastest units in the United States Navy.

President Coolidge, on March 4, reiterated his approval of the five-year aircraft program, the details of which had been announced by the War Department. It was stated by members of the House of Representatives Military Affairs Committee that a bill was being drafted which would carry out the War Depart-

ment's aircraft program. This new measure will also provide for re-establishment of the Council of National Defense, which functioned during the World War.

The sale of surplus supplies of the United States Army from the end of the war until Dec. 31, 1925, amounted to \$1,112,263,117, according to figures made public by the War Department on Feb. 27.

### GREAT BRITAIN

**S**HARP reductions in the Army and Navy estimates were announced during the month. The army estimates for 1926-1927, made public on March 11, showed a net decrease of £2,000,000 (about \$10,000,000) from those of 1925-1926. The gross estimates for the coming year were £52,420,000 (about \$254,237,000) and the net £42,500,000 (about \$206,125,000). The budget makes provision for an army personnel, exclusive of India, of 159,400, which is 1,200 less than in the previous year. The strength of the British Army reserve on April 1, 1926, was 96,000 men.

The net total of Navy estimates, as announced on Feb. 27 by W. C. Bridgeman, First Lord of the Admiralty, was £58,100,000 (about \$281,785,000), which represented a reduction of £2,400,100 (about \$12,000,000) from the estimates of last year. A feature of the budget is the provision for new construction, which is substantially increased. The estimates also

provide for a complete new dock at Singapore.

The air estimates for 1926-1927 were made public on Feb. 19. They showed a net increase from £15,513,010 (about \$77,565,050) to £16,000,000 (about \$80,000,000), the gross estimate, but military experts, after studying the program, stated that the actual expenditure contemplated for the Royal Flying Corps showed a decrease of £454,810.

Official figures on the progress of recruiting for the Territorial Army were made public on Feb. 23. They showed that during January, 1,883 recruits had been approved, and that the total approved during the first four months of the recruiting year was 7,065. The Territorial strength, exclusive of permanent staff, on Feb. 1, was 6,313 officers and 138,332 other ranks, a total of 144,645 and an increase of 5,043 over the strength of the corresponding date in 1925. The strength was divided among the commands as follows: Northern (three divisions), 32,344; Western (three divisions), 30,791; Scottish (two divisions), 22,558; Southern (two divisions), 21,241; Eastern (two divisions), 19,522; London (two divisions), 18,189. The recruiting officials closed their statement with the observation that "to complete the various Territorial establishments, 1,482 officers and 37,691 men are still required."

#### RUSSIA

CLEMENY VOROSHILOV, Commissar for the Army and Navy of the Soviet Union, made a statement in Moscow on March 4, regarding the present strength of the Red Army. M. Voroshilov denied charges made by White Russians that the Soviet Army numbered more than 1,000,000. He declared that the army had been cut to 560,000, including the territorial militia and the frontier guard troops. The Commissar reviewed the recent reorganization of the army. He said that the aerial fleet had regained a firm footing and soon would be "equal to any task." He severely criticized the high cost of maintenance and poor quality of ammunition produced by the Soviet's war plants, stating that the Soviet must learn to produce a cheaper and

better rifle. M. Voroshilov said that the original system of spying upon non-Communist officers of the army had been abandoned. It was found to be unnecessary, as the non-party commanders proved no less reliable than the Communists. The Commissar dismissed the Soviet fleet with the following reference: "We have a fleet, which though not matching the British Navy, would not permit the latter to approach Kronstadt unpunished."

#### ITALY

THE Italian Senate in March approved the group of seven laws constituting the army reform proposed by Signor Mussolini. The issue had centred about the question of whether the Senate should adopt the plan of General Digiorgio, which provided for a force of 140,000 men, or Mussolini's plan for a standing army of 220,000. Signor Mussolini addressed the Senate just before the vote was taken. He took a firm stand for a powerful army, stating that this army was limited only by the limits of the nation's finances. His program provides for compulsory military service of six months, as against three months stipulated in General Digiorgio's plan. Premier Mussolini said that when Italy's financial condition improved, the number of divisions of the army would be increased, bringing the standing army up to 250,000. He declared that this expansion was necessary, and that "in these uncertain times we must be prepared."

#### CZECHOSLOVAKIA

INTEREST in national defense continued to centre about the question of whether the military service period should be reduced from eighteen to fourteen months, as planned by the Government. M. Stribrny, the Minister of War, on March 16, issued a statement strenuously opposing the proposed reduction. He asserted that adoption of the Government's plan would give Czechoslovakia a smaller army than any of the neighboring States. M. Stribrny said that continuance of the eighteen-month military service term would in no way alter the nation's confirmed pacific policy, but would be merely a logical step for the maintenance of national defense.

[FROM FOREIGN PERIODICALS]

# America's Foreign Policy

By ALEXANDER GOURVITCH

Publicist and Special Investigator

DR. HEINRICH SCHNEE, Member of the Reichstag,  
in *Deutsche Rundschau*, Berlin, February, 1926.

THE writer gives his impressions with regard to the American attitude toward foreign problems, gathered during a visit to the United States in October, 1925, as delegate to the Interparliamentary Conference.

While interest in foreign affairs has tremendously increased in America as compared with pre-war times, Americans have now, after the departure during the World War and Wilson's leadership, definitely returned to the old principles of political isolation as expressed in Washington's Farewell Address and in the Monroe Doctrine. This policy is partly accounted for by the composite nature of the population of the United States, which makes intervention in foreign

affairs dangerous for the cause of national amalgamation. Above all, however, it is explained by the prosperity of the country and the abundance of national resources, which makes it practically self-dependent economically. The most direct foreign interests of the United States lie in the Far East, where preservation of the "Open Door" principle forms its active policy.

In its relations with Europe, the United States is concerned chiefly over the repayment of Government debts and the safety of American investments. She, therefore, wants peace in Europe and favors those who promote peace. In America's isolation there is a well-pronounced attitude of superiority, the attitude of a young giant toward an old and decrepit world. The expectations entertained at the time of the Washington Conference that the United States and England would proceed jointly to settle world affairs have not been fulfilled. While the influence of British political ideas still remains an important factor, there has been growing a feeling of superiority even over England, a feeling bred by the protracted economic crisis there, the chronic unemployment, the deadlock in the coal industry and so on.

That attitude has been much more pronounced in relation to countries with an impaired currency and disorganized finances. As regards France, in particular, the traditional sentimental esteem was not impaired by the French aggressive policies, not even by the occupation of the Ruhr, but it did suffer from Caillaux's failure to arrive at a debt settlement. As far as Germany is concerned, the American mind, with its tendency to simplification, still harbors some of the notions and prejudices cultivated during the war. Gradually, however, the idea of Germany as an aggressor and peace disturber is fading away. This has been helped by the adoption of the Dawes plan, which American opinion has hailed, ignoring the difficulties of its application, and by the ratification of the Locarno treaties. Had Germany failed to ratify them, this would certainly have led to a revival of the old notion of German imperialism and militarism, and would have interfered with the improvement of relations between the two countries as it had manifested itself in the ready extension of credits to Germany. While no illusions should be indulged in with regard to the possibilities of active intervention by the United States in European affairs, Germany, in shaping



A desire appears to have developed among all kinds of peoples to secure a seat in the League of Nations.

—Glasgow Evening Times

her policies, should carefully take into consideration the probable reactions of American public opinion.

### Locarno and German Opinion

A. ROBINET DE CLERY, in *Revue Politique et Parlementaire*, Paris, Feb. 10, 1926.

THE fact that the Locarno treaties were signed for Germany by a Government of the Right was hailed by the Left parties in Germany as a vindication of the "policy of fulfillment," which they had advocated since 1919. In the allied countries it was likewise regarded as of particular advantage to have a security pact signed by a German Government which derived its authority to a great extent from the support given it by the Nationalist groups. However, "it is impossible, even in Germany, to overstep certain limits in the field of contradiction." The negotiations for a security pact carried on by the Luther Government implied a contradiction not only between the domestic and the foreign policies of that Government, but also between the official attitude of the Cabinet and the platform and the propaganda of the Nationalist Party, which was one of its mainstays.

The Government crisis of last December was thus much more than an ordinary Cabinet crisis; it reflected the fact that the Treaty of Locarno is in absolute opposition to the feelings and aspirations of a large fraction of German opinion. The Nationalist Party is no longer a small group of discontented persons causing more noise than harm. Its strength has been steadily increasing, and it was fully manifested in the two elections of 1924. It is solidly organized and has deep roots all over the Reich. While its bulk is still formed of rural and agrarian elements, these have served as a nucleus around which large urban contingents are grouped—intellectuals, rentiers, artisans ruined and embittered by inflation, former professional soldiers, minor officials of the old régime. The party still includes a large number of the nobility of Prussia and of Mecklenburg; but it has succeeded, in addition, by clever propaganda, in recruiting a large following among the poor and destitute classes. All those various elements are united by a vague regret of the past, and, above all, by an exasperated national sentiment which is a negation of the spirit of Locarno. It is true, "the ideas which ought to provide a basis for what is usually designated as the Locarno policy are not lacking in present-day Germany. But if we look at the situation more closely we shall see that those ideas exist in an embryonic state only. Is that embryo going to develop? This will depend upon the general course which events take in the next few months in a country which lacks political maturity, and which will continue, in all probability, to be pulled in various directions before it finds its own way."

### A Fascista View of the Italo-German Conflict

UGO D'ANDREA, in *Critica Fascista*, Rome, Feb. 15, 1926.

THE writer points out that the violent German press campaign over the German minorities in the Upper Adige region is not justified by any specific facts in the situation. There are various possible explanations of that campaign. The minorities problem may be just a pretext for a campaign to prepare the ground for the annexation of Austria to the Reich. The simplest and most natural explanation is that the campaign is but an episode of Germany's continuous work for the preparation of a new war. Mussolini succeeded by his speech in raising the issue to the high plane of international politics. The speech was a vindication of Italy's prestige, and its immediate effect was seen in the submissive tone of Stresemann's reply.

Mussolini cannot win at one stroke all that was due to Italy and that was denied her by the peace treaties. "He has to proceed with constant moderation, but also with Fascist firmness and courage, to take advantage of every opportunity to regain the lost positions, to acquire new credit and esteem, to display the force, the vitality, the



PACKING THE JURY

If there could be found suitable additions to the Council of the League, Sir Austen Chamberlain said, there was good reason for some addition to their numbers, so that in cases where so much depended upon the moral authority of their decision, their decision might be recognized by the world as authoritative.

—The New Leader, London

energy of new Italy. That means winning the war once more in spirit, and passing once more, at the cost of great exertion but not in vain this time, through the process of peace negotiations, which once yielded nothing but humiliations. Think of Orlando at the Council of Four, and try to imagine in his place Mussolini in the face of the stubborn hostility of a Wilson, the irresponsible smartness of a Lloyd George, the brutal hatred of a Clémenceau. Then you will realize what may be the advantages of the halo of Napoleonism which today surrounds and illuminates our *Duce*. That surely is a tremendous and difficult game, which only his Italian genius can carry on! But there is no other way to prepare spiritually and concretely the new Fascist statehood and to lay the foundations of the new Italian greatness."

### Russia's Return to Asia

O. STRABOWSKI, in *L'Est Européen*, Warsaw, February, 1926.

THE traditional controversy over Russia's European or Asiatic orientation has acquired since the Revolution an actuality as intense as it had in the reign of Nicholas I. And just as in those days, the system of ideas which opposes Russia to European culture and proclaims her Asiatic mission has been a product of the necessity to find a justification for a political régime which is in violent contrast to Western principles. The doctrine of the Slavophils has been resurrected by the group known as Eurasians, who interpret the Revolution as the breakdown of the Occidental superstructure erected by Peter the Great on the Asiatic foundations of Russian life. In Bolshevism they distinguish between the appearance of Communism, which they see as the last desperate effort to impose a doctrine of Western origin, and the "Barbarian" element achieving the break between Russia and Europe. When it comes to practical conclusions, however, the Eurasians have only one value to oppose to Western civilization, and that is the Orthodox Church. Politically, their program calls for a return to the days of Prince Alexander Nevsky, who submitted to the Tartar Khan while crushing the Swedes in the West.

It has been given to the Communists to draw the political conclusions from the Slavophil-Eurasian doctrine, and, while denying nationalism in theory, to carry out the most nationalistic dreams of the Russian people by transferring the centre of gravity of Russia's politics to Asia. "It seems certain now that Russia will not become the bridge that might enable Europe to penetrate into Asia and establish its hegemony there. It may rather be expected that Russia, riveted to Asia, will constitute that 'third world,' that European-Asiatic continent," which was forecast by the Slavophils in the last century.



CHAMBERLAIN IN TROUBLE AGAIN

The rash encouragement given by the British Secretary of State for Foreign Affairs to those who wish to re-establish the balance of power system in Europe and to insult the Germans on their entry into the League has caused a great commotion.

—*The Daily Herald, London*

### Fascism and the Holy See

PIERRE DE QUIRIELLE, in *Le Correspondant*, Paris, Feb. 10, 1926.

THE author discusses, from the Catholic point of view, the report submitted by the Italian Government commission on the reform of Church legislation and of the polemics to which it gave rise between the organs of the Holy See and the Fascist press.

While the recommendations of the commission contain some valuable concessions to the Church and call for notable improvements in its status, they have not obtained the unqualified endorsement of the Holy See. The Fascist Government has thus failed to achieve the main political object of the proposed reform, which was to win the support of the Church for the Fascist régime and to complete the destruction of the People's Party, the most powerful adversary of Fascismo. The attitude of the Holy See has remained one of reserve, without any indication of greater benevolence toward the prevailing political régime. For the future of Catholic interests the fate of the various social organizations built up by the Catholic Church is no less important than that of the Church organization proper, and the recent legislation on labor unions, which created a monopoly in favor of the Fascist unions and was accompanied by the violent suppression of Catholic labor organizations, has been one of the potent factors that have made conciliation impossible.

# CURRENT HISTORY—PART II.

## The Historians' Chronicle of the World

*By the Board of Current History Associates*

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PERIOD ENDED APRIL 5, 1926

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# The Outstanding Events of the Month

By ALBERT BUSHNELL HART

Professor of Government, Harvard University, Chairman Board of Current History Associates

**A**MONG the events of leading interest in foreign countries during the period under review the following may be set forth:

**INTERNATIONAL**—Failure of the League of Nations to settle controversies arising out of Germany's admission and adjournment without admitting Germany.

**MEXICO**—Alien land law regulations, concerning concessions to foreigners, published; disorders arising out of enforcement of Church regulations and expulsion of foreign clergymen.

**SOUTH AMERICA**—Move by the United States to settle Tacna-Arica dispute between Chile and Peru without plebiscite; commercial relations established by Argentina with Russia.

**GREAT BRITAIN**—Baldwin Government accepts Coal Commission's plan.

**SOUTH AFRICA**—Senate of the South African Union rejects color bar bill.

**INDIA**—The Earl of Reading concludes his five-year term as Viceroy.

**FRANCE**—Briand forces another crisis and forms his ninth Ministry; further fall of the franc; death of the pretender, the Duke of Orleans, at Palermo.

**BELGIUM**—Financial crisis and fall of the Belgian franc.

**GERMANY**—Austrian Chancellor's visit to Berlin deepens fellow feeling of the two German republics; movement grows to confiscate former rulers' property.

**AUSTRIA**—Arbitration treaty signed with Czechoslovakia; trade treaty signed with Hungary.

**ITALY**—Verdict in Matteotti murder trial; reorganization of Fascist directorate; Mussolini states his attitude toward capitalism; plans for insuring harmony between capital and labor.

**RUSSIA**—Execution of thirteen Estonian counter-revolutionaries; steps toward economic improvement and concessions to foreign capitalists.

**DENMARK**—Bill practically abolishing army and navy passed by lower house of Legislature.

**NORWAY**—New Ministry with Lykke as Premier.

**HOLLAND**—New Ministry with De Geer as Premier.

**RUMANIA**—New Ministry with Averescu as Premier.

**POLAND**—Five-year mutual guarantee treaty signed with Rumania.

**YUGOSLAVIA**—Five-year pact withdrawing troops from common frontier signed with Italy; fall of Pashitch Cabinet.

**GREECE**—Resignation of President Condourios.

**TURKEY**—Further steps toward Westernization announced.

**MOROCCO**—Increased military activity against the Riff tribesmen.

**SYRIA**—French preparations to suppress Druse revolt.

**CHINA**—Blocking of Peiho River causes foreign powers to send ultimatum demanding free communication between Peking and the sea; fighting between rival forces around Peking.

**JAPAN**—Diet closes session in turmoil.

Turning to the United States we find that most of the serious questions which have recently arisen in State, municipal and national Government are still in a fluid condition, many of them awaiting settlement by Congress during the present session. Among the completed actions of the month the most far-reaching is the decision of the Interstate Commerce Commission not to approve the proposed merger of a group of railroads under the Van Sweringen syndicate. To make such a combination at all was a feat even for the rising wizards of Cleveland. They first succeeded in obtaining voting control over the Nickel Plate, Erie and Père Marquette, and then moved on the Hocking Valley and Chesapeake & Ohio. Ninety-five per cent. of the stock ownerships involved is said to favor the plan; and the value of all the properties affected seems to have risen. Yet strong opposition was made by some minority stockholders, particularly in the Chesapeake & Ohio, who insisted that, whatever the advantages to other people, they were not offered a fair price for their holdings.

The commission held that the minority must be considered, but intimated that a plan on somewhat different conditions might be acceptable.

The real significance of the incident is that the Interstate Commerce Commission seems to have abandoned its own plan of a classification of most of the railroads of the country into systems. The Van Sweringen scheme cuts to pieces two or three of the proposed systems, as sketched by Professor Ripley. Likewise the commission has clearly given up the objection to combinations of railroad properties which caused the Supreme Court in 1904 to quash

the Northern Securities plan. The whole incident is a proof that the method of controlling transportation in the United States through a Federal executive commission is losing vitality. Here is one case, at least, in which the clamor against centralization of authority in the Federal Government has brought about results. The railroads are bigger, richer and relatively more powerful than they were twenty years ago. Yet the commission, while still asserting authority in a comparatively small way on small issues, appears to be losing its grip on the great duty of restraint and leadership over the whole national system.

[INTERNATIONAL EVENTS]

## The League's Failure to Admit Germany

*The Question of a Larger Council—Briand's Attempt to Bring About a Compromise—Significance of Brazil's Attitude—Disarmament Difficulties—Controversies Over Unsettled War Debts*

By PHILIP MARSHALL BROWN

Professor of International Law, Princeton University

THE failure of the League of Nations to admit Germany at the special session of the Council and Assembly, summoned for that purpose on March 8, disclosed a vital antagonism between Locarno and Geneva. It became evident that the principle of "Balance of Power" was still preponderant in European affairs. France promised Poland at Locarno a permanent seat on the Council of the League as an added guarantee against German aggression. Sir Austen Chamberlain, British Secretary of State for Foreign Affairs, evidently was constrained at the same time by Aristide Briand, the French Premier, to support Poland's claim.

This claim, which was formally voiced by the Polish Foreign Minister on Feb. 25, gave rise immediately to the assertion of similar claims by Spain, Brazil and China. Spain sent to Geneva a formidable delegation headed by the Minister for Foreign Affairs to press the Spanish claim. When this situation became evident, all action on Germany's request for

admission to the League was paralyzed pending a diplomatic adjustment of the issue outside of the Council and the Assembly. This diplomatic struggle continued from March 8 to March 17, when the Council and the Assembly adjourned with an acknowledgment of defeat expressed in the following resolution of the Assembly:

The Assembly of the League of Nations regrets that the difficulties so far encountered have not permitted attainment of the result for which it convened, and expresses the hope that before the ordinary September session these difficulties will be removed so as to make possible at that session the entry of Germany to the League of Nations.

This resolution was accompanied by the issuance of a communiqué by the powers who signed the Locarno agreement, namely, by Great Britain, France, Germany, Italy, Belgium, Poland and Czechoslovakia:

They take note of the fact that they have reached an agreement and have overcome obstacles which had at one moment arisen between them.

The seven powers who signed the protocol of Locarno regret not to be able at this moment to reach the goal which they had in view; but they are happy to recognize that the work of peace which they realized at Locarno and which exists in all its value and all its force remains intact.

They remain attached to it today, as yesterday, and are firmly resolved to work together to maintain and develop it. They are convinced that on the occasion of the next session of the Assembly the difficulties which exist at this moment will be surmounted and that the agreement reached with regard to the conditions for the entry of Germany into the League of Nations will be realized.

The negotiations of these eventful ten days at Geneva were naturally of a secret kind, but the main features may be summarized as follows: When Briand hastened back to Geneva on March 10, after his improvisation of a new Ministry, he found that the Swedish representative on the Council of the League, Foreign Minister Uden, had definitely announced that Sweden as a matter of principle would not consent to the enlargement of the Council through the admission of any nation other than Germany. Spain also had clearly intimated the possibility of her withdrawal from the League if not accorded a permanent seat on the Council. Germany assumed the position that it would be manifestly improper for her to become involved in a controversy concerning the internal organization of the League before actually becoming a member, though insisting that, according to the "spirit of Locarno," Germany must be admitted without any new conditions or drastic alteration of circumstances.

By March 15 Briand had succeeded by extraordinarily resourceful tactics in effecting a compromise arrangement whereby Sweden and Czechoslovakia were to resign their non-permanent seats on the Council in favor of Poland, the ally of France, and of some "neutral" country, such as Holland, until the September session of the Assembly of the Council should decree other arrangements. The Brazilian delegate, Mello Franco, however, reaffirmed categorically the purpose of Brazil to veto the admission of Germany into the League, unless Brazil at the same time were accorded a permanent seat on the

Council. This attitude was maintained in the face of a direct appeal to the Brazilian Government by the Council and against the vigorous protests of twelve of the Latin-American countries represented on the League. Franco complained that an attempt was being made to fit the League into the framework of Locarno, rather than to fit Locarno into the framework of the League. The immediate responsibility for the fiasco at Geneva fell directly, therefore, on Brazil, though, by the irony of the situation, the adoption of Briand's ingenious compromise might have precipitated a crisis menacing the existence of the League itself. This compromise was unwelcome not only to Brazil and Spain, but also to Italy, which had openly indicated (as pointed out in CURRENT HISTORY for April) its hostility to the admission of Germany to the League. French public opinion, moreover, seemed most reluctant to hasten the admission of Germany on a full equality with the other "Great Powers."

The official justification of Brazil's attitude was set forth in the following statement issued in Washington by S. Gurgel do Amarala, the Brazilian Ambassador to the United States:

The Brazilian Embassy, duly authorized by its Government, desires to make it known that the reports recently circulated to the effect that Brazil has acted in Geneva under the influence of some other foreign power or powers are entirely devoid of foundation. Brazil acted on her own initiative and upheld the dignity of the country in the defense of what she considers her right.

In renewing her application for a permanent seat in the Council of the League of Nations Brazil was not hostile to the candidacy of any other country, but was inspired by fidelity to whatever could promote the work of the League of Nations, while preserving, as was most necessary, its character as a universal institution for the maintenance of peace among all nations. The interest of Brazil in the League and her appreciation of the Treaties of Locarno, no matter how great they were and, indeed, continue to be, could not permit Brazil to subordinate the world policy at large to an agreement which is no doubt relevant, but is, nevertheless, only regional, or, at most, continental in Europe. Brazil, as a signatory of the Treaty of Versailles, and, as such, one of the original members of the League of Nations, did not oppose the admission of Germany as a permanent member of the Council except in so far as it involved the exclusion of the whole American

Continent. The Brazilian Embassy holds the view that any other construction of the attitude of Brazil ought to be deprecated as being in contradiction with the reality of the facts and in opposition to the honorable traditions of the country in its international policies.

In the meantime a special commission of the Council has been appointed to study the whole question of a possible reconstruction of the Council and to report at the September sessions of the Assembly and of the Council. This commission is composed of representatives of the ten members of the Council, namely, Great Britain, France, Italy, Japan, Sweden, Czechoslovakia, Brazil and Uruguay, together with representatives of Germany, Argentina, China, Holland and Switzerland.

In regard to Argentina, League officials are confident that this republic will return to membership in the League next September. The cause for her withdrawal during the first assembly was the rejection of her demands concerning the reconstruction of the Council and the entrance conditions for prospective members. The Argentine Government has now been invited to send a representative to the committee appointed to study the reconstruction of the Council, as well as a representative to sit on the preparatory disarmament committee. The present situation in the League makes it possible to accept certain of the ideas rejected by the first assembly. Argentina opposes the creation of additional permanent seats in the Council and favors the admission of Germany on a par with the other great European nations.

To enlarge the Council membership considerably, or to abolish the rule of unanimity which permitted Brazil to block action by the League on Germany's application for membership, would effect a revolutionary change in the character of the League. The Council would thereby cease to function effectively as the virtual executive organ of the League subject to the consent of all its members, and made influential by the presence of the chief powers holding permanent seats on the Council. The League may have reason to be grateful for the clarification of a grave situation brought to light at Geneva. It may be content to allow matters of se-



THAT FAMILY CAT AGAIN!  
—New York Tribune

rious political importance to be settled outside of the League by such methods as the conferences at Locarno and Washington, as well as by such conferences of Ambassadors as settled the Corfu crisis between Italy and Greece. It may refuse to alter its fundamental organization in order to permit the Council to become the unsavory arena for the discredited game of "Balance of Power."

#### DISARMAMENT

World disarmament waits on European disarmament. European disarmament depends on adequate guarantees of national security. Security waits on Locarno, and Locarno agreements do not come into force in their entirety until Germany has been admitted to the League. Plans for the proposed Conference on Disarmament under the auspices of the League have therefore received a serious setback by the failure to admit Germany. The Council has decided to hold a meeting in May for the preliminary disarmament conference at Geneva, though the prospects of success in drafting the agenda for the later conference would seem most dubious. The absence of Russia alone will prove a great embarrassment, not to stress the funda-

mental differences in point of view between the Powers concerning security and all the factors involved in limitations of armaments, potential as well as actual armaments.

Much interest and some concern was occasioned by the publicity given on March 17 to the pessimistic nature of the oral reports made by Ambassador Houghton and Minister Gibson to President Coolidge concerning European political conditions, which they were reported to have indicated as tending toward the attitude of mind prevailing before 1914. This attitude, as it was indicated, might render further cooperation with Europe impossible and cause President Coolidge to revert to his original predilection for another conference on disarmament in Washington similar to that of 1921. It was announced, however, on March 23, that a delegation would be sent to attend the preliminary conference on disarmament at Geneva in May; Hugh S. Gibson, Minister to Switzerland, being chosen as chief American representative, with the assistance of Allen W. Dulles, head of the Division of the Near East in the Department of State. They will be assisted by the following military advisers: Maj. Gen. H. A. Smith, chief of the war plans section of the Army General Staff, and Rear Admirals Hilary P. Jones and Andrew T. Long. Maj. Gen. Dennis E. Nolan, recently Deputy Chief of Staff, may serve as an associate adviser to General Smith.

A final invitation from the League of Nations Council to Soviet Russia to participate in the preparatory disarmament conference was sent by the Secretary General, Sir Eric Drummond, on March 22. The invitation, which was drawn up at the request of the Council by Foreign Minister Benes of Czechoslovakia, will place Soviet Russia diplomatically in the wrong if she refuses to sit at the League headquarters with the other nations.

The letter of invitation, after carefully recording the Russian declaration that it "welcomes every step and every movement toward disarmament, and is genuinely anxious to be represented at the disarmament conference and on the commission," proceeds to quote a letter from the Swiss Foreign Minister promising diplomatic privi-

leges and protection to the representatives of all countries participating in the League meetings. Soviet Russia was also invited to send representatives to sit with the Permanent Advisory Commission for Military, Naval and Air Questions, which meets in Geneva on May 19 to assist the Preparatory Commission.

#### THE WORLD COURT

The Council of the League of Nations at its meeting on March 18 decided to invite the United States to designate a representative to participate in a conference of members of the World Court in Geneva next September to discuss the reservations attached to the American resolution of adherence to the Court. This decision was offensive to the opponents of the World Court in the United States Senate as well as to those who resent any indication of connection between the League and the Permanent Court of International Justice. President Coolidge, it was stated on April 2, was opposed to sending an American representative to Geneva to explain the reservations to the signatories of the World Court protocol. While he regarded the invitation as a courteous attention, his position was that it was not necessary, since the reservations were clear, and it rested entirely with the forty-eight nation-members of the Court to accept or reject them. The President felt that there was nothing a representative of the United States Government could discuss or explain, as it had already sent the reservations to the forty-eight signatory nations and was now dealing with them.

#### THE MOSUL AWARD

The Council of the League of Nations, in its public session on March 11, having received the notification of Great Britain that she had extended for twenty-five years her mandatory régime over Iraq in accordance with the terms of the resolutions of the December Council, made the definitive award of the disputed Mosul area to Great Britain. This also was in accordance with the decision reached by the Council in December. Great Britain or her mandatory, Iraq, thus receives practically all of the Mosul region, Turkish sovereignty being limited to a narrow strip in the northern



#### THE LEAGUE OF NATIONS

Sir Austen Chamberlain: "No! Our boat is now fully loaded and we cannot take any more passengers." —*Ulk, Berlin*

part. Turkey was not represented at this meeting, her abstention reiterating her old contention that the decision of the Council was not binding on her.

#### FRENCH POLICY IN SYRIA

The Permanent Mandates Commission was reported to have announced to the Council of the League that France had committed certain errors in her Syrian policy. The commission did not, however, suggest that France should be required to alter her policy seriously, or that a commission of investigation should be sent to Syria.

#### INTERNATIONAL DEBTS AND CLAIMS

Secretary of the Treasury Mellon supported America's war debt settlements with European nations as the most favorable that could be obtained short of force, in an address before the Union League Club of Philadelphia on March 24. If Europe was to be re-established on a sound basis, he declared, it must balance its budget, its war debts must be funded and the American investor must intelligently

and profitably invest his surplus capital stock abroad. All this was taking place, and financial reconstruction of Europe was in sight, with an improved and healthy market for the United States as the probable result. Referring to criticism that the debt settlements were too lenient, the Secretary said he preferred to have solvent customers with prospects of a profitable business in the future rather than force his customers into bankruptcy.

The United States Senate on March 25 began consideration of the tentative agreement on the funding of the \$2,042,000,000 which Italy owes to the United States. Senator Smoot, a member of the American Debt Funding Commission, opening the battle for the ratification of the Italian settlement, declared that the payments to be made under the agreement "must come from the sweat of Italian workingmen." The average Italian, under existing conditions, he added, received only about one-quarter the amount of meat, one-sixth the sugar, one-third the potatoes, and one-fifth the coffee that the average American had. France, he said, was following a false trail if she believed that she would ever obtain a settlement on the same terms as Italy.

The effort to defeat ratification of the Italian settlement began on March 29, with Senator Robinson of Arkansas, Democratic floor leader, opening the attack. He characterized the proceedings leading to the signing of the agreement, as outlined to the Senate by Senator Smoot, as both unsound and objectionable. He said that the United States had sacrificed its reputation for "generosity and liberality" as a result of the "capacity-to-pay" policy, which, Senator Smoot asserted, was the controlling factor in the negotiations. Senator Smoot's remarks regarding France were criticized by Senator Robinson as unjustified and uttered in a moment of "tactlessness"; they had tended to depress French currency and lessen the value of American-owned foreign securities. Near the close of the debate, Senator Reed introduced a resolution which would direct the Committee on Foreign Relations to investigate the ability of Italy to pay, as well as the amount of private American loans made in Italy, and the amount of

money, if any, spent for propaganda in the United States in connection with the war debt of Italy

Winston Churchill, British Chancellor of the Exchequer, intimated to France on March 24 that England still expected to obtain £12,500,000 annually from France as payment of her war debt to Britain. This statement was made in a debate on the war debts initiated by Philip Snowden, Chancellor of the Exchequer in the Labor Government, who called France's financial record during the last seven years "one of the most discreditable records in the history of national finance." He pointed out that there were owed to Great Britain £800,000,000 by Russia, nearly £700,000,000 by France, £600,000,000 by Italy and about £100,000,000 by other European States. If the British claims could be funded on the same terms as Great Britain obtained from America, he explained, Great Britain would receive £84,000,000 yearly from her European debtors, which—deducting the maximum British annual payment to the United States—would leave Great Britain a net gain of £46,000,000 yearly. But, under the Balfour note, Britain was receiving only £38,000,000.

Mr. Churchill said that Great Britain must pay the United States £100,000 (\$500,000) daily during three generations, constituting the most stupendous financial transaction in history. He added that Great Britain expected to obtain \$125,000,000 from France; that there was a "firm undertaking" from Italy of £4,000,000, and that what might be collected from the minor powers was estimated at about £2,000,000. If Germany paid three-quarters of the reparations under the Dawes plan, that would add £15,000,000. On this computation, Mr. Churchill stated, Great Britain would obtain in the "near, or not too distant," future, £35,000,000 yearly, but would by that time probably be paying the United States £38,000,000 annually.

How the United States Treasury would settle all war claims between Germany and this country and return to German nationals property seized during the World War was disclosed in a bill prepared by the Treasury Department and introduced in the House on March 29. The measure

provides for the immediate payment, by means of Treasury bond issues, of the claims of American nationals against Germany which have been awarded by the Mixed Claims Commission, including those growing out of the sinking of the Lusitania. The Treasury would look to future payments by Germany for its reimbursement. The provisions of the bill and a supplemental statement made by the Treasury virtually place that department on record as in agreement that sale of the seized Germany property in the hands of the Alien Property Custodian to satisfy the claims of American nationals against Germany would represent confiscation and would violate the long-established policy of the United States against such procedure. It was reported that the provisions of the bill were acceptable to the American and German claimants involved.

#### PROTEST AGAINST FRENCH OIL MONOPOLY

The American State Department, it was announced on March 29, has asked the French Government about the Margaine project for a national oil monopoly, which was approved on March 27 by the Finance Committee of the French Chamber of Deputies. The American oil companies operating in France have appealed to Washington, pointing out that between \$15,000,000 and \$20,000,000 of American capital is invested in France, where American concerns have established elaborate receiving and distributing systems. It was contended that the monopoly would act as a serious discrimination, if not actual menace, to the American companies.

#### INTERNATIONAL INTELLECTUAL COOPERATION

William H. Scheifley of Indiana University sends the following interesting communication:

The International Institute for Intellectual Cooperation, which occupies imposing quarters in the historic Palais Royal in Paris, was dedicated on Jan. 16, 1926. The participating officials and guests included the President of the French Republic, the Diplomatic Corps, the Secretary General and Council of the League of Nations, as well as the Commission for Intellectual Cooperation, representatives of the French Parliament, the clergy and learned societies of France and other countries.

This movement originated at the end of the World War. After the League of Nations had undertaken to consider such international questions as arbitration, labor and transit, it seemed that the peoples should join efforts to promote, also, the arts and sciences. Accordingly, in 1921, the Council of the League voted to appoint a permanent commission to study intellectual cooperation. And three years later it accepted for the commission a seat offered by France. With an annual subvention of two million francs, the institute comprises six divisions corresponding to the chief groups of its problems. Its personnel consists of eighteen officials besides indispensable secretaries.

Among the commission's first objectives are

legislation to safeguard scientific authorship and an extension of existing copyright laws. It will prepare an international bibliography and promote the diffusion of scientific publications. Further, the commission will urge the nations to adopt uniform practices regarding the exchange of teachers and students and the equivalence of scholastic credits. It will encourage international rules governing archaeological excavations, the protection of historic monuments, access to libraries and museums and for the use of motion pictures.

Evidently the commission has a fruitful field. For does not the future of the League of Nations depend upon the development of a universal conscience?

[THE UNITED STATES]

## Democrats' Move For Tariff Revision

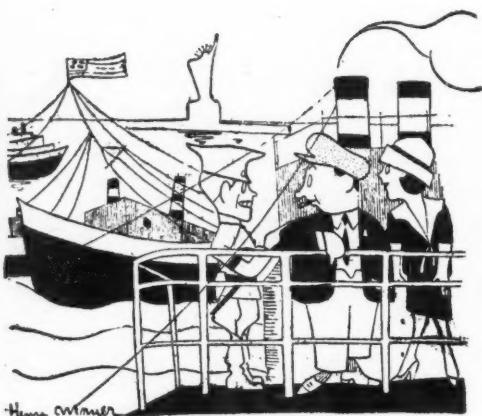
*Issues at This Year's Congressional and State Elections—Senator Borah's Warning to Republicans on Farm Relief Problem—Attempts to Discover Causes of Crime Wave—Impeachment of a Federal Judge*

By WILLIAM MacDONALD  
Lecturer on American History, Yale University

No single piece of legislation comparable in importance to the Revenue act has engaged the attention of Congress during the past month, and the aggregate legislative accomplishment of Congress has been inconsiderable. The army appropriation bill, carrying a total of \$343,153,493 for the ensuing fiscal year, passed the Senate on March 11 without a division. The amount, \$3,500,126 more than was voted by the House of Representatives, exceeded the budget estimates by \$40,659,268. A motion by Senator King of Utah, Democrat, to reduce the appropriation for rivers and harbors from \$50,000,000 to \$40,000,000 was rejected, as was also a motion by Senator King to recommit the bill with instructions to reduce the total appropriation to \$300,000,000. A bill involving an expenditure of \$150,000,000 for the reorganization and expansion of the military aviation service, including the provision of 2,200 fighting planes at the end of five years, was reported on March 26 to have been agreed

upon by the House Committee on Military Affairs. The eighth of the annual appropriation bills, carrying \$80,000,000 for the Departments of State, Justice, Commerce and Labor, was passed by the Senate on March 27.

The Republican floor leader of the House, Representative Tilson of Connecticut, warned the House on March 22 that the Treasury was threatened with a deficit of \$14,000,000 for the fiscal year ending June 30, 1927. An estimated surplus of more than \$11,000,000 was more than offset by an appropriation of \$25,000,000 for public buildings which the House had already authorized, and while the building program and a good roads plan, the latter covered by the budget estimate, could be carried out, Mr. Tilson declared that "any material increase in expenditures or amortizations, even for the most meritorious purposes, cannot be justified unless we are willing to go back and undo what we have already done in the tax law." The warning was interpreted as notice that no



#### FREE AMERICA

"Prove to me that you have no spirits, that you do not drink wine, that you are legally married, that your wife is pure, and that you abjure Darwin and his works, and I shall permit you to enter."

"I should rather go back home again."  
—*L'Œuvre, Paris*

funds were available for appropriations for rivers and harbors, farm relief, aviation or pensions. On the other hand, unexpectedly large receipts from income and profits taxes in March, with the possibility that the total receipts from those sources would reach \$490,000,000 or over by the end of the month, led the Treasury Department on March 29 to anticipate a surplus by June 30 of about \$150,000,000.

#### THE COMING ELECTIONS

Public interest in the proceedings of Congress has turned much less upon pending legislation than upon the discussion of certain large national issues in which the policy of the Administration is more or less involved, and upon the preparations, in Congress and throughout the country, for the approaching State and Congressional elections. With the possibility that Congress may adjourn in May, and with the entire membership of the House of Representatives and one-third of the membership of the Senate to be reconstituted, the search for issues with which to go before the primaries or party conventions has naturally become increasingly active.

While the Republicans have been facing party division over prohibition, the Democrats have indicated their purpose to push the tariff as a campaign issue. An inves-

tigation of the Tariff Commission, which for some time has been under attack in Congress, was voted by the Senate on March 9. A motion to strike from the resolution a provision requiring that the fifth member of the special committee to be appointed should be a "Progressive Republican" precipitated a heated debate which lasted for three hours, at the end of which the motion was lost. Vice President Dawes appointed Senator La Follette of Wisconsin as the Progressive Republican member, the remaining members being taken equally from regular Republicans and Democrats. The final section of the resolution, which, it was admitted, was aimed at President Coolidge, directed the committee, in addition to inquiring into the operation and administration of the tariff laws, to investigate "the appointments of the members of said commission, and report to the Senate whether any attempt has been made to influence the official action of members of said commission by any official of the Government or other person or persons." Professor F. W. Tausig of Harvard University, the first Chairman of the commission, testifying on March 23, characterized as "unfortunate" and "lamentable" some of the appointments to the commission made during the last two Administrations. A later Chairman, Thomas W. Page, testified on March 24 that President Harding had twice attempted to force appointments to the commission staff against the protests of certain members.

The Chairman of the National Democratic Congressional Committee, Represen-



"For I am the Belle of New York,  
The subject of all the world talk."  
—*The Daily Express, London*

tative William A. Oldfield of Arkansas, who helped to fire the opening gun of the Democratic campaign at Portland, Me., on March 24, declared that the tariff was "the outstanding issue" of the party, and advocated "a downward revision of the Fordney-McCumber rates to a point where we will have a competitive-revenue tariff." A request for downward revision which should include sugar and other necessary household articles, cotton goods, cutlery, aluminum utensils and hardware was presented to Speaker Longworth and other members of the House on March 26 by Mrs. J. Borden Harriman and others, on behalf of organizations said to represent 10,000 women.

#### AGRICULTURE AND POLITICS

An intimation that Federal farm legislation, or the lack of it, might figure as a campaign issue to the disadvantage of the Republicans was given by Senator Borah on March 26, when he declared in the Senate that "if some action is not taken it will mean disaster next Fall." The failure to bring forward from committee any of the various bills for farm relief that have been presented appears to have been due not only to a want of agreement among representatives of the farmers regarding the proper course for the Government to take, but also to wide differences of opinion among the members of the House Agricultural Committee. The committee hearings thus far held have been confined to the so-called Corn Belt bill, providing a method for marketing the crop surplus, and the Chairman of the committee was reported as doubting whether a committee bill could be framed until hearings on all of the bills submitted had been held. Such hearings, it was said, would occupy a month. Speaking in the House on March 18 on the Corn Belt bill, Representative L. J. Dickinson of Iowa, leader of the Republican farm bloc in Congress and spokesman for the Corn Belt Conference, held President Coolidge responsible for the delay, while Representative D. H. Kincheloe of Kentucky, Democrat, suggested that if the President and the Secretary of Agriculture could be induced to "put a little pressure on the thirteen stand-pat Republicans" who form the majority of the House Committee,

"they will make a report and there will not be a Democrat to hold it up."

The prediction of Republican defection in the agricultural sections was somewhat offset by more encouraging official views of the agricultural situation. Notwithstanding a forecast by the Department of Agriculture that "the demand for most of the products of our farms in 1926 will be no better than for the products of 1925, if as good, unless the competing products of foreign countries should be reduced by a less favorable season," Secretary Jardine, in an address before the Texas and Southwestern Cattle Raisers' Association at Fort Worth on March 10, said:

We begin to see daylight ahead, not merely in cattle but in the whole agricultural situation. The heavy movement of population away from the farms has apparently subsided. Farm products have improved in purchasing power, although they are not yet back to a parity of exchange for industrial goods or services. Land values show signs of improvement, at least, in some sections, and farm property is beginning to find buyers in the open market. \* \* \* We may expect, if history repeats itself, the economic position of the cattlemen to be an improving one during the next five or six years.

Opposition to the further encroachment of Federal authority upon the sphere of the States, already voiced on several occasions by President Coolidge and vigorously supported by Governor Ritchie of Maryland in various messages and speeches, found a rallying point in Congress in the debate on a bill to establish a Federal Department of Education, the head of which should be a Cabinet officer. The bill, strongly supported by organizations affiliated with the National Education Association, and, it was reported, by the Ku Klux Klan, was opposed not only on constitutional grounds, but also because of the expense involved, estimated at \$1,500,000 annually, and because of its alleged menace to sectarian religious schools.

#### BUSINESS CONDITIONS

Secretary Mellon, speaking at Philadelphia on March 24, said with reference to American foreign trade that there was a surplus, and to dispose of that surplus "we must reach markets abroad." This was interesting, since a preliminary estimate of American foreign trade for February,

issued by the Department of Commerce on March 15, showed an excess of imports of \$36,000,000. The export steel tonnage in January was the smallest in many years, about 40 per cent. below the 1913 monthly average, while unfilled orders of the United States Steel Corporation for February fell off 265,917 tons in comparison with the previous month. Another severe slump on the New York Stock Exchange on March 24, followed by a further wave of selling on March 29 and 30, carried the prices of scores of securities to new low levels for the year.

Until the latter part of March, however, business reports in general continued to be favorable. Gains in employment, wages, output, and sales for February were reported by the Departments of Commerce and Labor on March 14, and the consumption of steel in March was well maintained. The apprehension that was voiced toward the end of the month regarding the business outlook was apparently due, in large part at least, to the fact that, although the output in the leading industries, particularly building construction, automobiles, and iron and steel, continued high, the general level of wholesale prices was declining. The general average of prices, the Federal Reserve Board reported on March 26, was lower in February than at any time since the latter part of 1924.

Charges that certain foreign Governments had been able, through direct or indirect control of raw materials, to establish virtual monopolies which affected world prices, were upheld by the House Committee on Interstate and Foreign Commerce in a preliminary report submitted on March 13. The Governments particularly named were Great Britain, Germany, France, Egypt, Brazil (State of San Paulo), Chile, Mexico (Yucatan) and Japan.

#### NEW YORK STATE POLITICS

The Republican majority in the New York Assembly, after turning down on March 9 a request of Governor Smith for favorable action on the more important of the 200 labor bills that had been introduced, rejected later in the month most of the other measures to which Governor

Smith was especially committed. Included in the number were proposals for constitutional amendments changing the terms of the Governor and of members of the Legislature and reapportioning the membership of each house, a bill establishing a forty-eight-hour working week for women and minors and the proposed State housing scheme. Five bills, however, embodying the recommendations of the Hughes commission on the reorganization of the State Government were passed by both houses on March 24, and on the same day the Senate acted favorably on bills reducing the State income tax by 25 per cent. and increasing the income tax exemptions to conform to the Federal Revenue act, both of which had passed the Assembly.

A resolution proposing an amendment to the New York State Constitution, authorizing an increase of \$300,000,000 in the borrowing power of New York City for the purpose of constructing additional subways, was passed by the State Senate on March 17, following previous approval by the Assembly. The resolution requires the approval of the Legislature of 1927, after which it must be submitted to the voters at the next election.

#### THE CRIME WAVE

Systematic attempts to explore the causes of crime or to devise better means of prevention or punishment continue to multiply. Plans for an elaborate check-up of criminal court data, extending over three years from Jan. 1 and including cities, towns and counties, were announced by the Iowa Federation of Women's Clubs early in March. The Faculty of the Harvard Law School announced on March 9 its intention to undertake "a scientific and statistical investigation of the operation of criminal justice in Boston," and the establishment by the Columbia University Law School of a "research seminar" for the study of problems "in criminal law, procedure, the administration of public offices related to enforcement of the criminal law and in criminology," was reported on March 20. A bill for the creation of a State Crime Commission, in accordance with a suggestion of Governor Smith, was introduced in the New York Legislature on



IS THIS ANOTHER VANISHING AMERICAN?

*—Los Angeles Times*

March 9, followed on March 17 by the submission of an elaborate report by a joint Legislative Committee on Criminal Practice, recommending drastic changes in criminal law and procedure. Twenty-two bills intended to give effect to the recommendations of the committee, or with similar objects, were presently introduced and their consideration was promptly advanced. A petition for the appointment of a State Crime Commission was presented to Governor Pothier of Rhode Island on March 30 by the Public Welfare Commission.

#### OF NATIONAL INTEREST

Colonel John C. Coolidge, father of the President, died at his home at Plymouth, Vt., on March 18, in his eighty-first year. President Coolidge was en route from Washington to Plymouth when the news of his father's death reached him.

A majority report, recommending that Senator Brookhart of Iowa be unseated and that his opponent, Daniel F. Steck, be sworn in, was filed with the Senate on March 29 by the Committee on Privileges and Elections.

An adverse report of the Senate Judiciary Committee on the nomination of Wallace McCamant of Oregon to a Circuit judgeship was approved by the Sen-

ate on March 17. Mr. McCamant had been acting as a Judge of the Ninth Circuit since last September as a recess appointee. On March 26 the nomination of Thomas F. Woodlock of New York as a member of the Interstate Commerce Commission, which had been before the Senate for fourteen months, was confirmed by a vote of 52 to 25. Party lines, it was understood, were disregarded in the Woodlock case, but the Senate refused to make public the roll-call.

A report recommending the impeachment of Federal Judge George W. English of the Eastern District of Illinois on charges of high crimes and misdemeanors was agreed to by the Judiciary Committee of the House on March 9 by a vote of 15 to 6. The offences charged involve alleged corruption and tyrannical conduct, together with "other improprieties and irregularities which thwart justice and prevent its administration." On April 1 the House by a vote of 306 to 62 adopted a resolution of impeachment. This action automatically provided for the trial of Judge English by the Senate.

The White bill authorizing the Secretary of Commerce to license and regulate radio broadcasting passed the House on March 15.

The first meeting of a Business Council of the War Department, composed of officers and civilians and charged with the task of devising a plan for procuring certain supplies for the army in the event of war, was held at Washington on March 13.

Figures made public by the Census Bureau on March 18 showed an estimated population of the continental United States on July 1, 1926, of 117,135,817, an increase of 11,426,197 since the census of 1920. New York, with a population of 11,303,296, is still the largest State, with Pennsylvania, whose estimated population is 9,613,570, the second in rank.

A net increase of \$128,674,590 in State debts in 1925, or about \$90,000,000 less than the increase of the preceding year, was reported on March 16. The highest ratio of debt to assessed valuation, 5.72 per cent., was found in Oregon, and the lowest, 0.10 per cent., in Kentucky and Florida. The only States having no bonded indebtedness were Indiana, Wisconsin and Nebraska.

In anticipation, it was said, of the introduction of a bill at the approaching session of the Louisiana Legislature prohibiting the teaching of evolution in the schools of the State, the request of the department of biology at the State University at Baton Rouge to conduct a course in evolution was reported on March 24 to have been denied. A bill to prohibit the teaching, in schools supported by the State, that man "ascended or descended from a lower order of animals" was signed by Governor Henry L. Whitfield of Mississippi on March 11.

An ordinance limiting the districts in which negroes may reside, and excluding white residents from negro districts, was adopted by the City Council of Indianapolis on March 16.

A survey of economic and other internal conditions in the Philippines was authorized on April 2 when President Coolidge appointed Colonel Carmi A. Thompson of Ohio as special commissioner to perform this work and carry the Government's assurance to Governor General Wood that the Administration was thoroughly supporting him. The President designated Colonel Thompson without conferring with the War Department, which is directly concerned in the government of the Philippines. In explanation of this it was said that Colonel Thompson was to act as the President's personal representative in making an inquiry to furnish the President with data as a basis for legislation to improve conditions in the islands.

[MEXICO AND CENTRAL AMERICA]

## Mexican Concessions in Land Laws Dispute

*President Coolidge Satisfied With Diplomatic Handling of Controversy—Regulations Issued by President Calles—Riots Caused by Enforcement of Religious and Educational Provisions of Mexican Constitution*

By CHARLES W. HACKETT

Professor of Latin-American History, University of Texas

PROGRESS was made during the month toward definite action with respect to the diplomatic controversy which developed between the Governments of the United States and Mexico concerning the alien land and petroleum laws that were passed by the Mexican Congress last December. The third note of the Department of State was delivered to the Mexican Foreign Office by Ambassador Sheffield on March 9; the text of this note was not made public. President Coolidge was unofficially represented on March 2 as professing not to see any serious differences with Mexico over the alien land and petroleum laws; on March 16 he was reported to be of the opinion that the issues in the controversy over these laws were yielding to diplomatic negotiations. The Mexican Foreign Office replied on March 28 to the State Department's note of March 9.

The alien land law was given final form on March 29 when President Calles, under authority granted by Article 11 of the law itself, issued the regulations therefor. These regulations, as published in the Diario Oficial at Mexico City, do not differ materially from the fundamental principles of the law as passed by the Mexican Congress. In some respects the provisions of the law are made more specific in the regulations. However, some concessions have apparently been made in the interpretation or regulation of some of the provisions of the law that were regarded as prejudicial to foreign property rights in Mexico. Very significant is the provision in Article 18 of the Presidential regulations. It reads: "Conforming to Article 14 of the Constitution of the republic, none of the dispositions of the law or these regulations will be applied retroactively to prejudice any person." This pro-

vision appeared to remove the basis of the complaint of the Department of State against the alleged retroactive provisions of the law; at the same time it seemed to confirm the repeated assurances given since January by President Calles and Foreign Minister Sáenz that the regulations, when issued, would not be retroactive in character.

Another apparently favorable concession to foreign property owners in Mexico is the provision made in Article 11 of the regulations that in case where an alien shall acquire rights by inheritance, the acquisition of which might legally be prohibited, the time limit of five years in which the alien is required to dispose of such property may, for any valid difficulty, be extended "for the length of time necessary to eliminate the difficulty." Further, Article 3 of the regulations makes it unnecessary for the numerous foreign stockholders in Mexican corporations to present in person before the Ministry of Foreign Relations written waivers of the right to invoke the protection of their Governments with respect to Mexican-owned property. The law requiring such waivers may, by the Presidential regulations, be complied with by the waiver being "printed or engraved in the titles or certificates of shares." The acquisition of such shares, "through this fact alone," will be considered as an acceptance of the above waiver. By Article 4 of the regulations, existing Mexican corporations which may desire "to transfer shares or allow participation of foreigners" are required "to adopt as an integral part of the documents and statutes" of the corporation the provisions of the above waiver.

The Presidential regulations concerning the petroleum law had not been issued as late as March 31. Soon after the passage of this law last December attorneys of the American petroleum companies operating in Mexico and representatives of the Mexican Government began a series of conferences in an effort to reach a mutually satisfactory agreement with respect to the regulations which the law authorizes President Calles to issue. Despite the confidently expressed predictions of President Calles, Minister of Foreign Affairs Sáenz, and Minister of Industry, Labor and Com-

merce Morones that such an agreement would be reached, it was reported on March 25 that a deadlock had developed in the conferences and that the attorneys of the petroleum companies had departed for the United States.

The new policy of the Mexican Government to enforce the religious and educational provisions of the Constitution of 1917 continued during March to incite frequent riots in Mexico and to be the inspiration for bitter criticism of the Mexican Constitution and Government by Roman Catholics in the United States. The most serious riot in Mexico occurred early in March when Deputy Torres Maldonado and two associates were killed while leading a party which was attempting to close a Roman Catholic church in compliance with the orders of the Government. Bishop Herrar y Piña of Monterey, in a pastoral letter, was reported on March 24 to have urged Catholic priests and worshippers to offer passive resistance to the efforts of the Government to enforce the sections of the Constitution relating to religion. On the other hand the Bishop of Vera Cruz on March 14 counseled his parishioners to be prudent and to avoid "irresponsible actions." He stated that it was his desire "to establish a new era of harmony between the civil Government and the Church, each one complying with its duties and obligations." Representatives of the Government and of the Catholic Church were reported to have reached a mutually satisfactory agreement in San Luis Potosí on March 21 with respect to the number of Catholic priests to be permitted to officiate in that State.

Representative Boylan of New York demanded in the United States House of Representatives on March 4 that the Government "withdraw the recognition extended prematurely" to Mexico "until Mexico revises her present Constitution in vital respects." The following day Archbishop Curley of Baltimore declared that the Mexican Constitution "was designed to legalize robbery, to destroy the Church, and to wipe out religion." A mass meeting in Washington, D. C., under the auspices of the Knights of Columbus on March 7 protested against "the policy of religious persecution being followed by the present

Government of Mexico." Similar protests were drawn up at a mass meeting in New York on the preceding day. In a resolution introduced in the House of Representatives on March 22, Representative Boylan again urged the severance of diplomatic relations with Mexico on the ground that the Calles Government had adopted a "policy destructive of all religion and education." The House Foreign Affairs Committee on March 30 began a series of open hearings on the Boylan resolution. In a bitter protest to the committee against the policy of the Mexican Government in enforcing the religious and educational provisions of the Constitution, Charles W. Darr stated on March 30 that he represented "100 bishops, 2,500 Catholic priests, and 20,000,000 Catholic laymen."

As a result of the enforcement by the Mexican Government of the religious provisions of the Constitution a total of 202 foreign-born clericals had been expelled from Mexico by March 15. Secretary of State Kellogg advised the House Foreign Relations Committee on March 2 that orders had been issued for the expulsion from Mexico of three American Catholics, four American Protestants, and several American members of the Church of the Latter Day Saints. Secretary Kellogg stated that he assumed that in each case the expulsion orders had been issued "on the ground that they are teaching in violation of the Constitution and laws of Mexico." All the orders had been revoked by March 12 on condition that the religious workers would henceforth observe the provisions of the Constitution. One of the Catholics, Sister Margaret Semple, declined to remain in Mexico under such conditions and returned to the United States to protest against the Constitution and laws of Mexico to the House Foreign Relations Committee.

In a note presented to the Mexican Foreign Office by Ambassador Sheffield on March 9 the Department of State expressed the hope that American citizens would not be obliged to undergo "actual hardship" or injury in Mexico because of their religious beliefs and practices. It was authoritatively reported from Mexico City on March 12 that danger of complications between the two Governments concerning the en-

forcement of the religious and educational provisions of the Mexican Constitution was felt to have been dissipated.

That the movement for the education of the ignorant masses in Mexico which began during the Obregón Administration is receiving marked encouragement from the present Administration, was indicated in a speech delivered by President Calles on March 5 in which he said that the Government of Mexico was occupied with the question of educating the masses, "principally Indians, who until the present were, unfortunately, unable to rise from the sad condition in which they have been submerged for centuries." He added: "We have increased the rural schools actually functioning by 3,000 new rural schools and we have started more than 3,000 other schools for primary education, and I wish that friends of the past dictatorship \*\*\* could bring up reports of the number of schools established by Díaz."

The serious differences of opinion which developed early in February between Colonel Henry M. Anderson and Aquiles Elorduy, agents respectively of the United States and Mexico before the Special Claims Commission in Mexico City, became more serious and extended during March. Early in the month Judge Ernest B. Perry, the United States Commissioner on the Special Claims Commission, was reported to have dissented from an unofficial written opinion of Dr. Rodrigo Octavio, the Brazilian umpire on the Commission. This decision denied the responsibility of the Mexican Government for the assassination in January, 1916, of eighteen United States citizens at Santa Ysabel by forces of Pancho Villa. It is the contention of the Mexican Agent and Commissioner that before the latter date Villa had been declared a bandit, outside the law, by the de facto Government of Carranza, which was endeavoring to capture Villa. Judge Perry, the United States Commissioner, was quoted as having stated on March 6 that the refusal of Presiding Commissioner Rodrigo to make an award as demanded by the United States amounted to a nullification of the agreement on Mexico's responsibility for bandit outrages, and he therefore refused to concur in or discuss the same. Owing

to the illness of Umpire Octavio the meetings of the Commission were suspended after March 6. Judge Perry left for the United States on March 8.

The killing of two Americans, the wounding of a third, and an assault upon a fourth by bandits in the West Coast States of Mexico were formally called to the attention of the Mexican Government by Ambassador Sheffield on March 24. Subsequently four Americans were robbed and held for ransom by bandits in the State of Durango. The Mexican Foreign Office gave assurances that President Calles had ordered every effort to be made to apprehend the guilty parties. One of the murderers had been apprehended and four additional suspects had been arrested by March 25. It was unofficially reported from Washington on March 27 that the Department of State was disposed to regard the succession of outrages against Americans in Mexico as a recurrence of banditry for which the Calles Government could not be held too strictly accountable.

Ratifications were exchanged at Washington on March 18 of the treaty signed on Dec. 23, 1925, between the United States and Mexico which has for its objects the prevention of smuggling between the two countries, the promotion of human health, the protection of animal and plant life, and the conservation and development of the marine life resources of certain of their coasts.

As the result of a contract signed in mid-March between the Mexican Government and the Western Union and associated companies, telegraph and cable communication without relay and consequent delay was established between United States points and Tampico, Vera Cruz and Mexico City. The new arrangement makes possible a 50 per cent. reduction in the press dispatch rate, the addition of night telegram and day and night telegraph letter and money transfer service.

Rumors that former President Obregón would be a candidate to succeed President Calles in 1928, prompted General Arnulfo Gómez, Commander of the Federal forces, in the State of Vera Cruz, to issue a statement to the press in mid-March in which he defied General Obregón to launch such

a campaign. He declared that he would oppose the re-election of General Obregón on the ground that it would constitute a violation of the Constitution.

## Costa Rica

APPROXIMATELY 250 persons were killed and 100 others were injured in a train wreck on the Costa Rican Railroad on March 14. The passengers on the train were almost exclusively excursionists of the Costa Rican farming and laboring classes.

## Haiti

THE annual report of Brig. Gen. John H. Russell, American High Commissioner in Haiti, was presented to the Department of State of the United States on March 9. The report reveals continued progress in self-government, and in economic and financial undertakings. The fiscal year closed with a cash surplus of \$1,273,568 for the Government. As regards the relationship between the Haitian Government and the press of the country the report of Commissioner Russell is not optimistic. Such relations, he said, "showed no improvement over those existing in the preceding year, with no decrease in the attacks indulged in by certain of the local newspapers against the Haitian Government and the American officials. These newspapers are such in name only. They carry little or no news and devote this columns to petty criticisms of governmental acts, usually accompanied by some ill-meant but futile attack."

## El Salvador

A TREATY of Friendship, Commerce and Consular Rights between the Governments of the United States and El Salvador was signed at San Salvador on Feb. 22 by United States Chargé d'Affaires Engert and Foreign Minister Rossi of El Salvador.

## Honduras

THE Honduran Congress on March 3 ratified the agreement, signed at Washington on Oct. 29, 1925, for the settlement of the British debt. By the agreement a fifty-year-old debt, totaling, with accrued

interest approximately £30,000,000 (approximately \$150,000,000), is to be cancelled by the payment by Honduras of a total of £1,200,000 (approximately \$6,000,000), in semi-annual installments, without interest, over a period of thirty years.

## Cuba

A CONVENTION between the Governments of the United States and Cuba for the prevention of smuggling operations between the two countries was signed at Havana on March 4 by United States Ambassador Crowder and Cuban Secretary of State de Cespedes. The convention is similar to the one concluded between the United States and Great Britain on Jan. 23, 1924. On March 11 a second conven-

tion, described as a convention of "close cooperation and mutual assistance," for the suppression of smuggling was signed at Havana by Ambassador Crowder and Secretary of State de Cespedes. This convention is similar to those concluded between the United States and Mexico and the United States and Canada. It provides for the exchange of information regarding persons engaged in violating the laws of the respective countries; for cooperation in measures to prevent the illegal entry and departure of aliens, in the suppression of the traffic in narcotics, and in the smuggling of articles of all kinds imported into one country from the other. Reciprocal provisions are made for the attendance of witnesses and the furnishing of documentary evidence for judicial purposes.

[SOUTH AMERICA]

## To Settle Tacna-Arica Without Plebiscite

*The United States in New Move to Solve Problem of the Disputed Provinces—Suggestion to Let Bolivia Acquire Territory by Paying Both Peru and Chile*

By HARRY T. COLLINGS  
Professor of Economics, University of Pennsylvania

SOUTH AMERICAN affairs, from an international point of view, have attracted much attention during the past month. The Tacna-Arica settlement and the Brazilian claim to a seat in the League of Nations have drawn the eyes of the world toward these southern republics.

As the dates for registration and the plebiscite drew nearer, agreement between the interested parties appeared less possible. President Coolidge, as arbiter between Chile and Peru, had decided on March 9, 1925, that the sovereignty of the disputed provinces should be determined by a plebiscite in accordance with the Treaty of Ancon. A year later arrangements for the plebiscite were still incomplete, despite the arduous labors of a specially appointed commission. From the start the rulings of the American members of the

Plebiscitary Commission met with stubborn resistance on the part of both Chile and Peru. This resistance has been emphasized by threats and some bloodshed on both sides. On the first anniversary of President Coolidge's arbitral decision Senator Laurito Curletti declared in the Peruvian Senate:

"Unless complete equality prevails in the coming plebiscite, which is to decide definitely the suzerainty of the Provinces of Tacna and Arica, now under Chilean rule, it will involve a fight for sovereignty which some day will terminate in war."

After months of work on the part of the commission and two direct appeals to Washington by the interested parties, the registration date was set for March 15 and the plebiscite for April 15. On March 10 another crisis arose. Peru demanded that the date of registration be

indefinitely postponed. This demand was accompanied by a list of grievances against the Chileans, intended to prove that the guarantees which General Pershing before his departure had required of Chile in its administration of the plebiscite territory had not been enforced. Four days later, by vote of the commission, the date for registration was postponed to March 27, the time for election remaining as first set. The motion for postponement was presented by the Peruvian member and opposed by the delegate from Chile. General Lassiter as President cast the deciding vote.

The first day of the registration period passed quietly in Arica. The Peruvians abstained from taking part, in accordance with orders from the head of their delegation. One hundred and fifty natives, all Chileans, registered on the first day. Registration continued on the days following with only Americans and Chileans present on the boards.

Developments during the latter part of March pointed to a possible abandonment of the plebiscite due to the acceptance by Chile and Peru of the good offices of the United States for the adjustment of differences. Press reports intimated that diplomatic representatives in the various South American capitals, acting on instructions from Washington, were sounding out Governments there in an effort to find other methods of settling the controversy. The cancellation on March 12 of steamship reservations to Chile for Assistant Solicitor William R. Valliance of the State Department and a group of twelve who were to help conduct the plebiscite lent color to the reports. Nor did the State Department deny the report that Ambassador Collier in Santiago and Ambassador Poindexter in Lima had extended the good offices of this country in an effort to settle the controversy outside the terms of the award by President Coolidge. Secretary Kellogg on March 26 admitted that both Chile and Peru had accepted the offer of the United States to endeavor to arrive at a friendly adjustment without the plebiscite. But this change only led to a new impasse. The hitch in the new mediation arose over the continuance of activi-

ties in the disputed area. Chile asserted that registration and plebiscitary arrangements should continue uninterrupted; Peru maintained that her acceptance of the new mediation was conditioned upon the immediate cessation of all plebiscitary activities in the disputed area.

Our initial note to Chile tendering our "good offices" for settlement of the dispute stated that "the Plebiscitary Commission and the general arrangement made by it for the holding of a plebiscite under the terms of the award shall be maintained unimpaired." In its last note the American Government suggested a "suspension of the plebiscitary proceedings without prejudice to their resumption." Chile's attitude was disclosed on March 23 in a memorandum from the Minister of Foreign Affairs to the American Ambassador in Santiago. This memorandum, in answer to one submitted by Secretary Kellogg suggesting that the plebiscite be temporarily suspended, declared: "The Government of Chile greatly deplores that it is not in a position to receive the suggestion to suspend immediately the plebiscitary proceedings." "Such suspension," the memorandum added, "would mean a reversion to the uncertain and dangerous situation which was ended by the recent resolutions of the Plebiscitary Commission." The memorandum argued that continuance of the proceedings, "which can in no way impair the negotiations of good offices, will favor a solution, which, once it is reached even in principle, will mark the moment to consider the suggestion which your Excellency has transmitted without the difficulties it offers at the present time."

South American circles for some weeks past have discussed a radically different solution for the problem, through the sale to Bolivia of the Provinces of Taena and Arica. In the war of the Pacific (1879-1884), by which Peru lost these two provinces to Chile, Bolivia was the ally of the former country. By the terms of the treaty concluding the war the Bolivian seaboard province of Antofagasta was ceded to Chile. Thus Bolivia became completely landlocked. The present proposal broached in unofficial quarters is that Bolivia should pay Chile and Peru

each \$5,000,000 for sovereignty of the two Provinces of Tacna and Arica, and thus acquire the area as an outlet to the sea. Simplicity commands the plan, but there is no assurance that either Chile or Peru will agree to it. Its consummation would likewise require a loan to Bolivia, and New York bankers point to the fact that that Republic still owes some \$26,000,000 of a \$33,000,000 loan floated in 1922 at 8 per cent. This loan was secured by a first lien on import and export duties and various internal taxes.

### Argentina

**M**YSTERY surrounds the disappearance of Señor Carlos H. Pereyra Rosas, twice President of the Chamber of Deputies and a prominent figure in Argentine politics. He is reported to have boarded the night steamer for Montevideo, Uruguay, on March 12. Since then all trace of him has been lost. A local paper states that, before embarking, he wrote a letter to an intimate friend in which he mentioned suicide. Señor Rosas is a descendant of Juan Manuel de Rosas, the Argentine dictator, who ruled with an iron hand from 1829 to 1852.

The expected impetus to immigration to Argentina, as a consequence of the United States restrictions against immigration generally, and that from Southern Europe in particular, has not developed. This is ascribed in part to the fact that housing accommodations in Argentina are inadequate.

### Brazil

**A** LOAN to the State of São Paulo for approximately \$20,000,000 was floated in London and New York in March. New York bankers handled \$7,000,000 of the sum. The proceeds of the loan are to be used for public improvements. São Paulo, one of the most prosperous States in Brazil, has always enjoyed a high credit rating in international finance. Government authorities at Washington let it be known some months ago that there was no objection to these loans as long as they were not connected with the stabilization of coffee prices. A loan made in Spring, 1925, for the

valorization of coffee, was floated in London because of objections raised by the United States Department of Commerce to its flotation in the New York market.

Recent figures of the Brazilian Government show that the nation's total foreign trade for 1925 amounted to 7,444,954 contos (a conto is approximately \$143 at present rates of exchange). Exports exceeded imports by 582,838 contos. This favorable balance of trade was about one-half that for 1924, since imports increased 23 per cent. in 1925 as compared with the previous year, and exports only 3.8 per cent. Coffee constituted nearly three-quarters of the total exports.

### Ecuador

**A**N important archaeological discovery has been made by Major Izquierdo of the Ecuadorean Army in the Huaca Mountains of the Province of Carchi, near the Colombian border. Ruins have been uncovered marking the site of a prehistoric city of considerable extent. Human skulls and bones as well as red pottery were found. The Government is organizing an expedition under the direction of a German archaeologist, Max Hule, for further exploration of the ruins.

### Peru

**N**ATIONALIZATION of all archaeological exploration in Peru is proposed in a bill before the Peruvian Congress. By its terms the exportation of archaeological treasures without the authorization of the Government also would be forbidden. Inca temples and huacas (burial places) and all other ancient ruins would become the property of the State. Preservation of the priceless treasures would be entrusted to the universities. Expropriation by the State of such sites as are now in private hands is also provided in the bill.

### Venezuela

**R**EPRESENTATIVES of American bankers went abroad to negotiate for the 75 per cent. interest of the Royal Dutch Shell Company in the Colon Development of Venezuela. They were reported to have

acquired an option on the 25 per cent. interest in this development now owned by the Carib Syndicate. Negotiations were for the account of the Pan-American Petroleum and Transport Company or the Standard Oil Company of Indiana, and it was stated that, if the plans materialized, the Colon Development Company would be merged with the Lago Oil and Transport Company. The deal was understood to involve about \$45,000,000. The Carib

Syndicate would obtain \$15,000,000 for its interest, while the Royal Dutch Shell would receive \$30,000,000 and a royalty in the oil produced. The total area in which the Colon Development Company is interested approximates 4,500,000 acres, according to British authorities. Most of this land adjoins the Colombian border. It is considered capable of producing within a short time 50,000 barrels of oil a day.

[THE BRITISH EMPIRE]

## British Plans to Solve Coal Problem

*Eamon de Valera's Defeat and Resignation—Canada's Move in Dispute Over Chicago's Drainage Canal—Australian Tariff Legislation—Color Bar Bill Rejected by South African Senate—Lord Reading's Retirement from India*

By RALSTON HAYDEN

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NATIONAL ownership of British coal mines, with private management and operation under lease from the Government, was the outstanding recommendation of the report of the Coal Commission, issued on March 10. The commission also recommended the amalgamation of many of the smaller units of coal production, the closing of certain unprofitable collieries, a closer articulation of mining with allied industries, State-aided research and the formation of cooperative selling agencies. The report declared a fuller partnership between employers and employees to be essential to prosperity in the industry. In these recommendations the report sought to suggest means for putting the coal industry upon a permanently satisfactory basis, not merely to solve the present deadlock between the operators and the miners. With reference to the immediate situation the commission declared that the present Government subsidy was indefensible because it taxed workers in other industries for the purpose of providing profits for the owners and relatively high wages for the employees in the mining industry. It further declared that it was impossible to maintain an in-

crease of wages in accordance with the standard of 1924, and that there must either be a reduction of the wages of the better paid men or a longer working day. The latter alternative it regarded as the less desirable solution. On March 24 the Government announced to representatives of the owners and the miners that it had decided to accept the report of the commission and to pass such legislation as might be necessary to give effect to its recommendations provided the immediate parties to the dispute would accept the report and carry on the industry on the basis of its recommendations. On March 26 it was announced that the miners and the operators had reopened direct negotiations.

The outstanding parliamentary event of the month was the House of Commons debate upon the part played by the British Foreign Secretary, Sir Austen Chamberlain, at the conference of the League of Nations. David Lloyd George and Ramsay MacDonald led the attack upon Chamberlain, whose conduct of affairs at Geneva, however, was upheld by 325 to 136.

George Lansbury, a Socialist member of the House of Commons, on March 11 in-



GETTING IT OFF HIS CHEST

—London Opinion

troduced a motion which was tantamount to demanding the abolition of the British Navy and then proceeded to declare that the World War was waged for plunder and loot and that Great Britain did not enter the conflict on behalf of Belgium. The House voted down his motion almost unanimously.

On March 25 during a discussion of the problem of the interallied debts Winston Churchill, Chancellor of the Exchequer, and his Laborite predecessor in that office, Philip Snowden, agreed in attributing to the United States the burden of responsibility for the present war debt difficulties of the world. Had the United States agreed to an all-round cancellation, the world situation, they declared, would have been infinitely better.

The British Government on March 10 issued the following table showing the emigration of persons of British nationality from the United Kingdom.

Year.	Australia.	Canada.	British Foreign Empire countries outside Europe.	outside Europe.
1908	11,476	41,455	58,592	32,564
1909	17,318	52,378	81,722	57,971
1910	25,332	115,681	158,878	74,831
1911	56,337	134,765	210,382	51,427
1912	68,673	133,561	219,988	48,497
1913	46,012	127,656	188,635	53,362
1920	19,048	75,433	118,436	54,311
1921	21,915	39,049	84,078	34,860
1922	30,385	30,666	71,707	28,175
1923	30,447	81,917	119,230	71,153
1924	28,156	46,469	85,287	3,124
1925	27,056	25,426	67,877	19,179

From April 1, 1923, the figures are exclusive of passengers who departed from, or arrived at, ports in the Irish Free State.

## Ireland

EAMON DE VALERA, for years the most spectacular leader of the Sinn Fein movement, on March 11 resigned the presidency of the Republican Party. This followed the defeat in the Ard Feis, or Republican General Assembly, of his motion favoring occupancy by Republicans of all the seats which they might win in the Dail Eireann and the Ulster Parliament when the oaths of allegiance to the King of England might be no longer required of members of those bodies. The rejection of this compromise proposal marked de Valera's defeat by the absolutely irreconcilable Republican group led by Miss Mary McSwiney and Father Michael O'Flanagan.

## Canada

DEBATE in the Dominion House of Commons on the address in reply to the speech from the throne, which had been in progress since Jan. 18, was terminated on March 3 by a division which gave the Mackenzie King Government a majority of nine. Parliament then adjourned until March 15. Immediately after the recess the budget for the next fiscal year was laid before the House. The estimates call for an expenditure of \$345,771,351, a decrease of more than \$5,500,000 as compared with the preceding year. Separate estimates of \$31,000,000 for the Canadian National Railways and \$600,000 for the

Government merchant marine were also introduced, the former showing a decrease of \$19,068,000.

On March 25 a resolution demanding that "immediate and drastic action should be taken by the Government through the British Government to enforce the Boundary Waterways Treaty (1909), and to forthwith collect damages from the United States for breaches of the treaty by the Chicago Drainage Canal," was introduced by Thomas L. Church, Conservative member from Toronto. During the discussion which followed, Arthur Meighan, the Opposition leader, placed the full strength of his party behind the Government. Charles Stewart, Minister of the Interior, speaking for the Government, declared that he had found the United States anxious to discuss remedial measures. "We are willing," he declared, "within a reasonable amount of time, lest injury be done to that municipality, to permit Chicago to establish the necessary works for the treatment of their sewage and to return to the Great Lakes system all the water that is now being diverted." Mr. Stewart pointed out that this was the first case in which agreement had not been arrived at through the International Joint Commission since the creation of that body by the treaty of 1909.

Among the important legislative measures considered during March was the Government's old age pension bill. This measure provided that the Dominion Government pay an amount equal to one-half of the pension provided by the Provincial Governments up to a maximum pension of \$20 per month. British subjects, who, after twenty years' residence in the Dominion, have attained the age of 70 years will be eligible, provided they have resided for five years in the Province in which the claim is made. The special Parliamentary committee which drafted the bill estimated that there would be about 98,840 persons eligible for the pension, and that if they all drew the maximum amount the cost to the country would be about \$12,000,000 annually. Adherence to the scheme by the Provinces is voluntary, and it was announced that thus far only British Columbia had indicated an intention to come in.

Careful preparations were being made

during the month by the Canadian railways and the Western Provinces for the reception of immigrants expected during the season just opened. On March 19 three ships left British ports with 5,000 intending settlers. Other groups were scheduled to sail at frequent intervals during the Spring.

The coal miners of Nova Scotia on March 12 voted to accept the two years' wage contract recommended by the Royal Commission which has been investigating the coal industry of the Province and the relations between the British Empire Steel Corporation and its employes. The contract calls for a 10 per cent. reduction on the wage scale of 1924 and provides for a restoration of the check-off system.

Canadian happenings during March included the continuance of the inquiry regarding charges of corruption in the customs service along the eastern end of the Canada-United States border; the appointment of George P. Graham, former Minister of Railways and Canals, as Chairman, and of Joseph Daoust, a Montreal manufacturer, and Donald McKenzie, Secretary of the United Farmers of Manitoba, as members of the Federal Tariff Advisory Board; and the rejection by the Ontario Legislature of an amendment to the budget speech favoring the sale of liquor in the Province under a system of Government control.

## Australia

**TARIFF** proposals introduced by the Commonwealth Government offered the most important subject for debate in the national legislature during the period under review. Discussion of the new bill opened in the House of Representatives on March 3. The measure proposed fifty-three tariff increases and forty-seven decreases, and was criticized as deliberately penalizing British goods. H. E. Patten, Minister for Trade and Customs, denied the truth of this assertion. He stated that on the whole of British trade an average preference of 12 per cent. was given and that dumping duties had been placed on foreign products which competed with those of British manufacture. Mr. Patten, however, suggested that British firms should establish their own factories in

**Australia.** He declared that if the House confirmed the proposed new duties, at least three leading textile firms would establish plants in Australia within a year.

In New South Wales the struggle of the Labor Government to secure the abolition of the Legislative Council, the upper house of the State Legislature, continued to be at the focus of political interest. The twenty-five Labor members previously appointed to the Council not having been adequate to carry a vote for its destruction, Mr. Lang, the Premier, sought to obtain the appointment of enough additional councilors to assure the passage of the abolition bill. Upon the refusal of the Governor to make the appointments, Mr. Lang announced that the Attorney General of the State would proceed to London to obtain an exact definition of the powers of the Governor in the matter.

### New Zealand

**A CONSTITUTIONAL** step of some significance was taken in February by the Government of New Zealand in the creation of a new Department of State especially charged with the conduct of the relations between the Dominion and other parts of the British Empire.

### South Africa

**COMPROMISE** on some of the parts of the Asiatic bill which are most objectionable to the Indian people seemed to be within the realm of possibility as the result of the evidence given before the Select Committee of the Union Legislature which has been considering that measure. The official Indian delegation was reported to have proven pretty conclusively that the Asiatic menace today is much less than it was before the South African war, and to have shown that there are fewer Indians in the Transvaal today than there were ten years ago. It was therefore proposed that the further consideration of the bill be postponed for one year, without necessarily surrendering any principle enunciated in it. Meanwhile a deputation from South Africa would visit India, and subsequently a scheme for repatriation might be drafted with the cooperation of the Government of India.

The Senate on March 17 again rejected the Color Bar bill, and by a majority (22 votes to 12) larger than last year. Voting was on strict party lines.

Dispatches from Johannesburg reported the formation of a new party in Southwest Africa whose purpose was to bring about the immediate entry of that former German colony into the Union of South Africa. This new group, called the "Southwest Party," has opened negotiations with the Nationalist Party in the Union and is playing an active part in the campaign preceding the first election for the legislative body given to Southwest Africa by an act of the United Parliament passed last year. Practically all the Germans living in the territory in question were declared to have accepted British nationality under the terms of the new Constitution.

### India

**T**HE Earl of Reading on April 3 completed his five-year term as Viceroy and Governor General of India and was succeeded in office by Lord Irwin, who, until his recent elevation to the peerage, was the Right Hon. E. F. L. Wood, Minister of Agriculture in the British Cabinet. In his farewell address to the Indian Legislature on March 25, Lord Reading said that he hoped that historians would chronicle the fact that the foundation of self-government in India had been laid during the past five years. Although he had been associated with four Prime Ministers and four Secretaries of State for India during his term of office, there had never been any change in the main stream of British policy, whose goal was still the realization of responsible government in India as an integral part of the Empire.

As an expression of resentment at the Government's refusal to participate in a debate upon the constitutional situation in connection with the introduction of the annual budget the Swarajist members of the Legislative Assembly on March 8 walked out of the Chamber in a body, and subsequently refused to participate in the financial debate. This action was prompted by the permission recently granted by the All India Congress Committee to all Swarajists to withdraw from the Legisla-

tive Assembly, the Council of State and the Provincial Legislatures as a protest against the Government's refusal to sanction further constitutional reforms at the present time. As a result of pressure from the committee the Pandit Motilal Nehru on March 9 resigned from the Indian Sandhurst Committee, declaring that he did so as "a necessary corollary to our recent action in the Assembly."

After the walkout the Assembly proceeded to consider the budget. The most distinctive features of the finance bill were the complete abolition of the cotton excise and the reduction of the provincial contributions to the central Government. The military budget, introduced by the commander-in-chief, provided for the expenditure of 550,000,000 rupees, as compared with 750,000,000 five years ago.

[FRANCE AND BELGIUM]

## Briand Forms His Ninth Ministry

*French Government Reorganized With Raoul Péret as Finance Minister and Louis Malvy as Minister of the Interior—Chamber Passes Tax Measure, Balancing Budget—Monetary Crisis in Belgium*

By CARL BECKER

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THE chief political event in France during the month was the fall and reconstruction of the Cabinet. The crisis came on March 6, on the vote on the tax on payments which Premier Briand had made a matter of confidence. The vote was 274 to 211. Aside from a few scattering votes, those voting against the Government were: Republican-Socialists, 8; Radical-Socialists, 30; Socialists, 93; Republican-Democratic Union, 80; Communists, 26; Deputies not of any group, 19.

The fall of the Ministry was anticipated, and as early as March 5 speculation was rife as to the successor of Briand, who was understood not to be willing to form another Ministry. It was supposed that Briand would be succeeded by Caillaux, who was known to be ready to form a Cabinet, and who was supposed to have a financial plan (very similar to his former one) ready for submission. Briand, returning from Geneva on March 8, expressed his determination not to serve as Premier again. "They broke a platter on my head," he said, "and now they want me to stick the pieces together again." In spite of this determination, he agreed, after a consultation with President Doumergue,

to try to form another Ministry. The next day the new Ministry was announced, and Briand became Premier for the ninth time. The new men were Raoul Péret (Finance), Louis Malvy (Interior), Pierre Laval (Justice), Lucien Lamoureux (Education). The hasty formation of the new Ministry was determined less by the internal situation in France than by the Geneva situation. It was felt on all sides that Briand, whatever might be said of his work at Geneva, must be supported there by restoring him to the Premiership at once. The result was that Briand returned to Geneva on March 10, and was able to take up the task that awaited him there without any doubt about his having French support.

But for this very reason his Cabinet was a precarious and feeble structure from the point of view of internal politics. The new Cabinet represented a move to the Right. It appeared that Briand desired Caillaux for Finance Minister, but that Caillaux refused to serve because he felt that, under the circumstances, the Finance Minister should be the Premier. Péret was then chosen as the best substitute for Caillaux. The Radical-Socialists were sacrificed, and although Herriot expressed

his determination to support the new Ministry, his followers were little pleased with the situation. Thus the Péret appointment satisfied none of the Socialists, only some of the Radical-Socialists, and only some of the parties of the Right. Furthermore, Malvy, an able addition from the point of view of finance, was an uncertain element from the point of view of politics. His position between Herriot and Caillaux has never been defined, and he did not please the Nationalist followers of Marin, particularly because in those quarters the belief still persisted that he was responsible for the disaster at Chemin des Dames in 1917.

The new Cabinet faced a serious crisis on its first meeting with the Chamber on March 18. The new program, as presented in general terms by Premier Briand, included an increase of the commercial "turnover tax," a poll tax varying in amount, and voluntary subscriptions, besides a suggestion for returning to the method of election by districts. The financial proposals were so similar to those of former Minister Doumer that there was little reason to suppose the Chamber would have passed them; and Leon Blum (Socialist) made it clear later that the Socialists would have voted against them. What apparently saved the Ministry from defeat was a painful incident resulting from an attack by the Conservative Deputies on the Government for having included Malvy. At the height of this attack, Malvy, who had apparently never recovered from the nervous strain of his former disgrace, fainted and had to be carried from the Chamber. This incident infuriated the Left, and when the vote of confidence was taken the Government won by a majority of 341-165. But the vote was a vote against Colonel Fabry, who led the attack on Malvy, rather than a vote in favor of Briand's new program. Meantime Malvy was unable to return to his office, and his retirement was rumored. Minister Péret announced that his turnover tax would be withdrawn after a year and replaced by an increase in the income tax; and that a moratorium was being arranged for the British debt.

The Finance Commission of the Chamber on March 26 approved of the poll tax

with some amendments, and of the increase in the tax on sales; but, undismayed by the continued fall of the franc, it rejected the proposed increase in the turnover tax. This rejection left the Government bill with only 1,380,000,000 francs with which to make up the deficit of 2,500,000,000 francs. Minister Péret painted a somewhat gloomy picture of the situation that would result if the budget were not balanced by March 31. He said that the Chamber must accept either the turnover tax or else some substitute for it. This warning was effective, and on April 1, after twenty-one hours of continuous debate, the Chamber passed Péret's tax measure, retaining sufficient tax provisions to balance the budget. The vote was 227 to 103. Another important step to increase national revenues was taken on April 2, when the Chamber of Deputies, by 311 to 39 votes, voted an increase of 30 per cent. in the import duty on all merchandise entering the country from abroad with the exception of paper pulp, parts of agricultural machinery, wheat, sugar, coffee and cocoa.

Although Briand was restored to the Premiership in order to strengthen his hands at Geneva, his work there was not wholly satisfactory to the French parties and press. It is doubtful if the Senate would have approved of the proposal, to which Briand assented, that Poland should be satisfied with a temporary seat in the Council of the League. Czechoslovakia's proposal to give up her seat to Poland also proved unpopular in France. The French regard the Little Entente as more important than Poland's entry into the Council, and Czechoslovakia's possible retirement from the Council was interpreted to mean that Italy would thereby succeed France as leader of Middle Eastern Europe. Briand's willingness to go far to accommodate Germany, and his closing eulogy of Luther and Stresemann, produced no sympathetic echo in France. Moderate papers like the *Temps* and the *Journal des Débats* reproached the Premier with having been too friendly with the Germans. The proposal to adjourn the sessions until September was therefore a godsend to Briand as well as to Luther and Stresemann. In general, the Geneva state-

ment was regarded as equivalent to a defeat for France. The papers of the Left were not satisfied, and *L'Humanité*, the Communist organ, pronounced a funeral sermon on the "Bourgeois League of Nations." The Centre papers reproached Germany for having gone too far in its demands. The Right papers proclaimed the result a "German victory."

One of the periodical conflicts between the Communists and the Royalists occurred on March 9, when a gang of student members of royalist societies attempted to break up a Communist meeting. The hall was wrecked, one man was shot, and a number injured. This incident may very well have strengthened the Communists in the voting for two members of the Chamber which occurred on March 14. At all events, in this preliminary election, the Communists polled 38,000 votes, the Nationalists 47,000, and the Socialists and Radical-Socialists together only 26,000. The Socialists thereupon, raising the cry of "Fascist danger," announced that in the final election they would vote for the Communist candidates. They evidently did so, since on March 28 two Communists

were elected from the Second Paris District. For the first time the financial district of Paris has as its Deputies men committed to the abolition of private property. The election was followed by much patriotic demonstration, without serious results further than a few injuries and one or two arrests.

Excitement over communism was stirred up at Metz also. The Government issued a decree prohibiting Communists from entering the city, the result of which was that on March 21 about 1,500 Communists decided, at a meeting at Montigny-les-Metz, to test the ordinance by marching into Metz. They were driven away by troops, little disorder resulting.

Marshal Pétain's visit to Madrid resulted in a serious effort on the part of the French and Spanish commanders in Morocco to cooperate in the Spring campaign against Abd-el-Krim. The plan adopted was for the French to move northward from Quezzan to Sheshual Serec, the only important centre of the Riff, where they were to be joined by the Spanish forces which were expected to move south from Tetuan.

Louis Philippe Robert, Duke of Orleans, Orleanist Pretender to the French throne, died at his villa in Palermo, Sicily, on March 28. Prince Jean, Duke of Guise, the new Pretender, is a great-grandson of the former King, Louis Philippe (1830-1848).

### Belgium

THERE was general consternation in Belgium on March 15, following the sharp fall of the Belgian franc to 4.04½ cents. It continued to fall, reaching on March 26 the low mark of 3.97 cents. It was known that the fall was precipitated in the first instance by heavy selling in London, and many rumors were instantly afloat as to the cause that lay behind the event. It was said that the failure of the United States Senate to ratify the Washington debt agreement was the primary cause, and also that efforts of London bankers to obtain control of the Belgian railroads as a guarantee for a Belgian loan were the primary cause. Both the Belgian and the American Governments denied that the



THE GOVERNMENT AND THE TAXPAYER  
IN FRANCE

"Our resolutions do not open his pockets; we shall have to consult a locksmith."  
—*Nebelspalter, Zurich*

delay of the Senate had anything to do with the currency situation. Perhaps the most persistent explanation of the fall of the franc was that London had feared that the Belgian Government would not be able to balance its budget and that this fear had caused a hitch in the scheme for floating an international loan to Belgium which, in turn, led to the selling of francs and their fall in value.

The result of the monetary incident was a short Cabinet crisis, in which there was talk of Emile Franqui, member of the Belgian funding mission to the United States, being named as successor to Janssen in a "business men's cabinet." In view of the attacks on Janssen, the Cabinet probably would have resigned except for the absence of Emile Vandervelde at Geneva. When the franc fell, the Cabinet at once suspended temporarily all buying of foreign exchange. The Finance Minister informed the Chamber that there had been

"agreement in principle" between the Belgian, British and American bankers, and that he was confident the program of stabilization of the franc could still be carried out on the basis of 107 to the pound. The Chamber on March 18 voted certain measures of the Cabinet for easing up the financial situation by a vote of 115 to 3, and the measure for extending the privileges of the National Bank to 1952 by a vote of 110 to 1. The Government measures permit holders of bank notes to demand gold in exchange on presentation to the bank, reserving to the Government the right to fix the rate of exchange.

Late in February the Ministry of Economic Affairs was suppressed and incorporated in the Ministry of Agriculture. Count Liedekerbe was named Minister of Agriculture as successor to M. Van de Vyvere, resigned. This gave the Cabinet a membership of five Socialists, four Catholics and one Moderate Liberal.

[GERMANY AND AUSTRIA]

## Germany's Loyalty to Locarno Pact

*Reichstag Approves of Government's Policy at Geneva—Internal Debt of the Reich Reduced—The Expropriation of Former German Ruler's Property—Significance of Austrian Chancellor's Visit to Berlin*

By HARRY J. CARMAN

Assistant Professor of History, Columbia University

THE failure of the League of Nations to act upon Germany's application for membership was made the occasion for a two-day perfunctory debate in the Reichstag. On Feb. 23 Foreign Minister Stresemann in a speech lasting for an hour and a half cautiously but emphatically denied that the Reich was in any way responsible for the Geneva setback. After recounting in detail the Geneva negotiations he declared that Germany, instead of losing morally at Geneva, had gained the respect of the world. Nobody, he said, blamed Germany for what had happened, and there was no reason, therefore, for the nation to change its League policy. Chancellor

Luther, less guarded than Stresemann, frankly declared that Locarno had become "the cornerstone" of the Government's policy. Germany, he said, must gain membership in the League for the sake of the Locarno pact. "Withdrawal would be a fundamental recognition that German policy was against Locarno. Locarno must represent for us a politically accomplished fact."

Opposition came only from the extremists. Speaking for the Nationalists, Count Westarp delivered a bitter diatribe against Locarno, the League, and everything pertaining to them. Grand Admiral von Tirpitz of U-boat fame, in what was his maiden speech, seconded all that



THE POLITICAL MURDERS IN GERMANY  
The little man who is punished and the big one who goes free.

—*De Notenkraker, Amsterdam*

Westarp said, and Count Reventlow added to the tirade. The Communists also vented their hatred of Geneva and all its works. The Government groups—Democratic, Catholic Centre and People's parties—together with the Socialists, expressed approval of the Government's action by defeating the Nationalists' motion for lack of confidence by a vote of 259 to 141. The German press, with few exceptions, supported the Government in its contention that everything must be done to save the Locarno pacts and that the Locarno treaties are politically, if not juridically, in effect.

The controversy aroused by the tax reduction plan of Finance Minister Reinhold caused temporary nervousness, but this disappeared after a compromise had been arranged on March 25 on the basis of elimination of the wine, salt and luxury taxes, postponement until 1927 of increase in the beer tax, increase of the sales tax to 0.75 per cent. instead of 0.60 as originally proposed, reduction in the property tax on the smallest capitals, reduction in the rents tax and the arrangement that rents shall not exceed the pre-war figure until April, 1927. The slight increase in the rate as arranged for the sales tax will materially help public finances. The fiscal situation was also placed in a favorable light by the statement that the home debt of the republic had been reduced in 1925 by 323,000,000 marks

to 1,457,600,000. During the current financial year the debt will be further reduced by 75,000,000 marks.

In Prussia the tax issue produced a Ministerial crisis. Deftly choosing a moment when the Governmental factions chanced not to be present in their full strength, the Nationalists, reinforced by the Communists and the Ludendorff Voelkische, mustered a majority of three votes against the tax on rents proposed by both the Prussian and the Federal Finance Ministers and assured of passage by the Reichstag. Being thus technically placed in the minority, the Prussian Coalition Ministry, recruited from the Socialist, Democratic, Catholic Centre and People's Parties, theoretically would have been obliged to resign. The Opposition also clamored loudly for the Diet's dissolution and for a State election.

The foreign trade of Germany continued to reflect the reversal of balance as compared with that which prevailed throughout the past year. Figures for February showed the export surplus to be even larger than that of January. Reports by the German banks for 1925 also reflected improvement. Dividends without exception remained unchanged. The balance sheets showed great



THE DEPOSED PRINCES  
"If your friends want to feed you, let them, but not out of my poultry yard."  
—*Ulk, Berlin*

recovery in business; deposits of the seven largest banks reaching 4,897 million marks, against 4,800 million marks even in 1913, while loans stand at 2,457 millions, as compared with 2,850 millions.

According to the latest unemployment figures for the whole of Germany, the number of persons in receipt of relief on March 1 was 2,056,807, compared with 2,058,392 on Feb. 15. The number of men in receipt of relief decreased during the fortnight by 21,581, but the number of women increased by 19,996. The situation was especially serious in the Rhineland. It was estimated, for instance, that about every fifth person in Cologne was in receipt of some form of State or local subvention, and the number of registered unemployed was 45,000. These figures take no account of "casual" employed, or of those who are not qualified to receive an unemployment bonus. The increase of unemployment in West Germany was due chiefly to renewed depression in the Ruhr heavy industry. Mines were almost daily being closed down or going on short time, and the steel and textile industries were obliged to dismiss several thousands of workmen during February. Efforts have been made, especially in the iron and steel industries, to relieve the situation by lowering wages and, if possible, by employing more men, but the men's unions have rejected this proposal on the ground that it would merely add to the hardships of those already employed without materially decreasing the number of unemployed. The decision of Messrs. Krupp (Essen) to dispense with the services of a further 4,000 workmen and over a hundred officials created much comment in industrial circles.

The German Railroad Company, created under the provisions of the Dawes plan, has again been a target of criticism on account of its decision to cut down the number of trains as a means of making the roads pay their quota of reparation payments. While the opposers of the Dawes plan see this move as a backward step injurious to the public service, the company explains that it is now operating as a business and that all trains which are unprofitable will be discontinued. On account of

the industrial depression and the keen competition for through freight on the part of Switzerland and Italy, many freight trains are now operating at a loss. Only local passenger services will be increased, and the company stated that the number of trains will not be increased until traffic warrants it.

Twelve and a half million names were subscribed to the lists demanding a referendum on the question whether the property of the former German rulers should be expropriated without compensation. Berlin alone had 1,600,000 signers, Hamburg 400,000, Leipsic 300,000 and Breslau, Dresden and Hanover about 200,000 each. Only 4,000,000 signatures were required to insure a referendum, while 50 per cent. of the electorate, or about 20,000,000 votes, will be required to make the plebiscite's decision effective. Meanwhile, the Reichstag was working with feverish haste to enact a bill which would represent a compromise between the demands of the Socialists and Communists, on the one hand, and those of the Nationalists on the other. Even if such a bill were passed it would not prevent the referendum, but the Nationalists believe its passage would tend to keep many voters at home during the plebiscite period. Meanwhile, the Royalists continued their public campaign for the return of all property that had been taken from the former ruling families.

Germany will be able to carry out the Dawes plan obligations only if the Reich can obtain colonies in the near future, according to the President of the Reichsbank, Dr. Schacht. These colonies must supply the raw materials necessary for German industry and also furnish an outlet for surplus population, he insisted. He said that it would not be necessary to control these possessions in the same manner in which they used to be controlled by the Imperial German Government, the fallacy of which system was shown by the World War. "The Dawes plan's greatest service is that it replaces former methods of political autocracy with business intelligence," said Dr. Schacht. "The fight for raw materials plays the most important part in world politics, an even greater rôle than before the war. The problem of

surplus populations, though not acute now, will soon become the same spectre as it was formerly. Germany's only solution of these two problems is her acquisition of colonies." Dr. Schacht's speech created surprise in financial and political circles, since he had hitherto refused to discuss any subjects not concerned with the business of the Reichsbank.

A French airplane landed in Germany by accident on March 18, and Germany set a post-war precedent by allowing the machine to return to France without a penalty. The fliers faced only the simple formality of an examination of their papers. While the event was remarkable in itself and a significant demonstration of the "spirit of Locarno," it was all the more satisfactory to France, considering that the airplane was a military machine operated by a sergeant and a candidate aviator of the French army.

The liberation of Cologne was formally completed on March 21 when President von Hindenburg, in his tour of the liberated Rhineland regions, entered the lavishly decorated Rhenish metropolis to the accompaniment of the chimes of the ancient dome and peals of the reconstructed St. Peter's bell of historic fame. Jubilantly acclaimed by over a hundred thousand people, the President, after driving to the Town Hall, where he inscribed his name in the "golden book of the City of Cologne," proceeded to the vast exhibition hall, where before 40,000 exultant Rhinelanders the liberation was formally consummated. "To us all," von Hindenburg said "the Rhine symbolizes the eventful history of Germany. Here the German kings and emperors were chosen and crowned. The severe trials to which the German men and women have been subjected in the last few years have furnished proof that Germany's mission is not yet fulfilled and that it is not doomed to destruction." The President concluded by calling for "three cheers for Germany, our beloved fatherland." He also visited Bonn, where at the historic university of Bonn the honorary degree of Doctor of Political Science was conferred on him.

Ex-Chancellor Constantin Fehrenbach, one of the foremost figures in German

politics, died on March 26, at Freiburg, Baden, aged 74. With his passing his party, the Catholic Centrists, lost a political leader of the first order, and the nation lost a man whose level-headed policies helped the country steer a middle course when the Republic's affairs were most chaotic.

## Austria

CHANCELLOR RAMEK arrived in Berlin on March 27 for the official purpose of repaying the ceremonial visit of the German ex-Chancellor Marx to Vienna two years ago, and to negotiate a new commercial treaty with Germany. The tariff wall on the German side, while the lowest tariff of any of the countries surrounding Austria, is only slightly lower than the Italian and is high enough to interfere greatly with Austro-German trade. Chancellor Ramek's visit was the occasion for considerable comment. Many persons asserted that it was made in the interest of the much discussed Austro-German union. The Vienna press hailed it as a long overdue demonstration of the solidarity of the German people, although the more conservative papers were careful to distinguish it from any alleged move toward union. The Austrians as well as all others who favor union realized, it was said, that the time was not opportune for such a move. Some observers professed to see in the trade negotiations the first steps in the formation of a customs union which they pointed out would virtually mean economic unity, as in the case of the Zollverein before the formation of the German Empire. Asked for a statement relative to Germany's delayed entry into the League of Nations, the Austrian Chancellor expressed keen disappointment over the failure of the Geneva meeting.

According to a report of March 11 the revised program of the Austrian Fascists for restoration of the Habsburgs calls for a different prince for each succession State. The plan, which has been submitted to ex-Empress Zita, asks renunciation of the Habsburg view allowing only one monarch on the throne. The union of Austria and Germany is also part of the plan.

[ITALY]

## End of the Matteotti Murder Trial

*Chief Culprit Defended by Secretary General of Fascist Party—Mussolini's Defense of the Capitalist System—Reorganization of the Fascist Directorate—Steps Toward Creation of Syndicalist State*

By ELOISE ELLERY

Professor of History, Vassar College

INTEREST in Italian affairs during the last few weeks has centred chiefly on the Matteotti murder trial. On June 10, 1924, Giacomo Matteotti, the leader of one of the Socialist groups in Parliament, was kidnapped, and on Aug. 16 his body was found in a clump of bushes near the Via Flaminia, some miles from Rome. Numerous arrests were made within a few days after the kidnapping. It was charged that the crime was a political one and that certain Fascisti leaders, including Mussolini himself, were implicated. Meanwhile, the Court of Appeals investigated the matter, and on Dec. 1, 1925, handed down a lengthy decision, according to which the murder was unpremeditated and, therefore, the men who were charged with instigating the kidnapping could not be held responsible for Matteotti's death. As all political

crimes, except murder, came within the scope of the recent amnesty, they were ordered released. These men, whom rumor had connected with guilty knowledge of the affair and who thus gained their freedom, included Cesare Rossi, former Chief of the Press Bureau of the Ministry of the Interior; Giovanni Marinelli, former Secretary General of the Fascist Party, and Filippo Filippelli, former editor of a Fascist newspaper. According to the accusation, they formed a "gang" which had been involved in various acts of "discipline" against enemies of Fascism, and, in this case, were responsible for the kidnapping and murder of Matteotti. How far they were acting on orders from "higher up" and how high up the responsibility extended were matters of controversy.

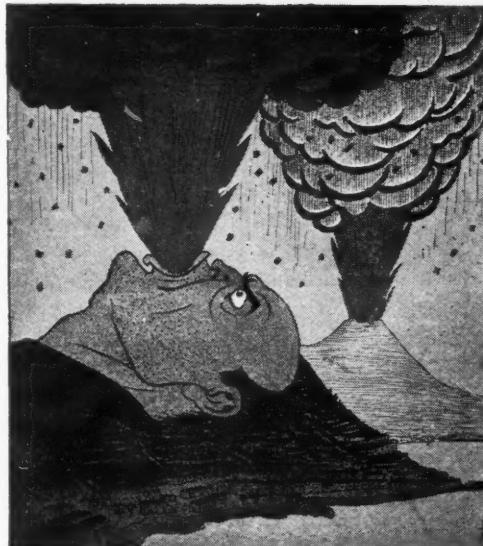
This trial, which opened on March 16, 1926, was held at Chieti, an inaccessible town in Central Italy, near the Adriatic. Five men were involved: Amerigo Dumini, who, it is alleged, led the expedition against Matteotti and who is reported to have been the actual slayer; Volpi, Viola, Poveromo and Malacria. The charge was willful but unpremeditated murder. Each of the five accused was defended by one lawyer. When Dumini was first arrested no lawyer could be found to defend him. Anti-Fascist lawyers were naturally unwilling to do so and Fascist lawyers, as naturally, feared the indignation which was aroused against the party. Farinacci, the Secretary General of the Fascist Party, however, declared that the party was not in the remotest way connected with the affair and that he regarded Dumini as he would any criminal having a right to defense, and, therefore, he would take the case. Dumini



The ex-Kaiser and Poincaré: "We, too, made flaming speeches in our time."  
—*Nebelspalter, Zurich*

pleaded not guilty to the charge of murdering Matteotti, but admitted organizing and carrying out the kidnapping, with the help of some of his friends. For the kidnapping, he assumed the sole responsibility, but contended that Matteotti died from natural causes, apparently a hemorrhage of the lungs brought on by fright. Moreover, he added, he could not have had any share in the murder of Matteotti, as he (Dumini) was driving the car. He insisted that he had decided to kidnap Matteotti because he considered him responsible for the murder of the Fascist leader, Nicola Bonservizi. The other four accused denied that they had had any part, either in the kidnapping or the murder, and produced alibis in support of their assertion. Dumini's testimony, however, was weakened by cross-examination, and the alibis of the other four were contested. On the other hand, much of the evidence adduced against them was conflicting and several eyewitnesses of the kidnapping found themselves unable to identify the prisoners.

In spite of the protests of the presiding Judge against the interjection of irrelevant testimony of a political nature, Farinacci contended that political matters were germane to the case as showing the real motive for the attack. Matteotti, he declared, was a dangerous enemy of the nation, unrelenting in his advocacy of an extreme form of socialism. He was kidnapped "because he gravely offended Italy's collective sentiment of patriotism, because he undermined our national solidarity, because he was outspoken in his praise of the enemy of the State during the war, because he insulted that which a majority of the nation venerates and respects, because he dedicated all his energies to subverting our political and social status, because he committed acts apt to provoke civil war, and because he fomented class hatred." Speaking of Dumini's share in the kidnapping, Farinacci repeated the assertion that Matteotti had died as the result of an internal hemorrhage, brought on by blows sustained during the struggle with his assailants, and contended that there had been no evidence adduced at the trial to disprove it. In summing up against the accused, the prosecutor admitted the impossibility of saying with cer-



VESUVIUS MUSSOLINI

Poor Italy! Always so liable to volcanic outbursts! —*Simplicissimus, Munich*

tainty which of the five was Matteotti's actual slayer, but declared that as one of the number had killed him, a conviction of willful murder should be brought against all five.

The trial ended on March 24, with the acquittal of Viola and Malacria, and the sentencing of Dumini, Volpi and Poveromo each to five years, eleven months and twenty days. Four years were remitted by the recent political amnesty and as account was taken of the fact that they have already spent over a year and nine months in prison, the sentence amounts to an imprisonment of less than two and a half months. According to a Fascist newspaper of Milan, the trial neither excited nor interested the Italian nation or the Fascist régime. An aftermath of the trial was the action against Pietro Neni, former director of the Socialist newspaper *Avanti* for having incited to crime by circulating last August a pamphlet entitled "The Assassination of Matteotti, and the Trial against the Régime."

Closely connected with the Matteotti trial was the story told by General Cesare Rossi, who was arrested as one of the instigators of the Matteotti affair and released by the amnesty. Writing from

Paris, where he fled from Italy, he attacked Premier Mussolini and the whole Fascist régime. Absolutely guiltless, he declared, he had been made a scapegoat. Something had to be done to placate public indignation at the crime, and at Mussolini's request he resigned his position as head of the Press Bureau. He surrendered to arrest only to clear himself and he fled for the same reason. On his release he had been offered 10,000 lire to leave Rome and go to Palermo, he had been kept under surveillance and blacklisted by his friends. He had been deprived of the right of trial, the amnesty made it impossible for him to testify at the trial at Chieti and he was not even allowed the right to defend himself in the press. Now, from outside Italy, he proposed to make himself heard, and in a series of memorials, the last containing thirty-seven counts, he declared Mussolini and the Fascist leaders responsible for establishing a secret terrorist Cheka, for instigating the murder of Matteotti, and finally for granting an amnesty for the express purpose of muzzling those very persons whose testimony would be most damaging. Signor Rossi's statements, though reported to have been made under oath, consisted of assertions unsupported by adequate evidence. According to Arnaldo Cortesi, a newspaper correspondent, writing from Rome on March 10, Rossi's revelations, so far as they were known at all in Italy, fell perfectly flat. As for the Matteotti case, the writer declared the killing was "ordered by no one." It was merely a case of kidnapping by irresponsible Fascists, whose overzealous activities Premier Mussolini had constantly done his best to curb.

The law by which Italian citizens living abroad may have their citizenship taken away for criticism of the Government at Rome was recently applied against Carlos Tresca, a noted Italian radical leader now living in New York. The action against him is reported to be based on articles published in Switzerland, addresses made in the United States and articles denouncing the Fascist régime published in *Il Nuovo Mondo*. A like decree was issued in the case of Vincenzo Vaciria, the editor of a New York Italian daily newspaper.

The first person to suffer under the law, which came into effect last December, establishing penalties for offenses against the head of the Government, was a British subject employed in an English shop in Florence. Originally arrested on the charge of drunkenness, it was also brought up against him that he had on several occasions used opprobrious language against Premier Mussolini. He was given a sentence of eight months' imprisonment and a fine of several thousand lire. But, on the advice of Mussolini, he was granted a royal pardon and at the same time requested to leave Italy.

Several new laws previously approved in the Chamber were passed by the Senate, notably the army reform bill and the bill regulating relations between capital and labor. The reform measures include plans for reorganization, the institution of written and oral examinations of all officers before promotion and the establishment of a sliding scale of dowries for the brides of army officers. The bill dealing with labor disputes declares all strikes and lock-outs unlawful, provides for special labor magistrates to solve difficulties between capital and labor and seeks to enforce compulsory arbitration. It was passed by a vote of 138 to 26. Speaking in favor of the bill, Mussolini said:

We must accustom ourselves to think that this capitalist system with all its virtues and defects will continue to rule the world for centuries. In countries where it has been physically suppressed it is again appearing. Capitalism has a future which Fascismo recognizes and approves.

But Fascismo also recognizes that the fate of capitalism as well as the fate of the workers depends on the fate of the nation. If the nation is powerful, even the humblest worker can hold his head high. If the nation is powerless and disorganized, every one suffers and every one must assume an air of humiliation, as Italy has done for twenty years or more of her history.

No greater mistake can be made than to represent capital and labor as two necessarily opposed principles. On the contrary, one completes the other. One cannot do without the other, since they must perform come to understanding. My experience in government teaches me that such an understanding is possible. No labor dispute has yet arisen which I have been unable to settle with satisfaction to both sides, when the matter was discussed calmly across the table in my office.

The seventh anniversary of Fascism was celebrated throughout Italy on March 28. In the course of his speech in Rome, Premier Mussolini declared that the campaign of his adversaries after the Matteotti affair had only hastened their annihilation. Then, turning to the recent achievements of Fascism, he spoke as follows:

Within one year we have given to the Italian people laws of revolution, laws of national and social reconstruction, reorganization of the army, the navy and the air service. All this in a single year. I am happy to tell you, comrades, that we all, and in the first place I myself, attach no importance to what is said and printed abroad. It is quite logical that the international world of democracy, liberalism and Masonry, and plutocracy without a country should be against us. The counter-revolution which we have crushed at home, and which was vainly organized abroad, is the best proof that we have accomplished a revolution. To the responsible elements of the nation may we say: "You must also pass through the same process as we. If you want to live, you must do away with loquacious parliamentarism; you must give the authority to the executive powers. If you want to live you must face the most serious problem of this century, that of the relations between capital and labor—the problem which Fascism has solved by plainly placing capital and labor on the same level. In the face of a common goal—the prosperity and grandeur of the nation."

At the close of an eight-hour sitting of the Fascist Grand Council, which sat till 6 o'clock on the morning of March 31, Mussolini proposed that the Council unanimously approve the names of nine members of the new Fascist directorate, which rules the internal affairs of the party, in place of one headed by Roberto Farinacci, which had resigned. The new Secretary General of the Fascist Party is Deputy Augusto Turati, the leader of Fascismo in the Province of Brescia. The new Vice Secretaries are Leandro Arpinati, Alessandro Melchiorri, Renato Ricci and Achille Starage.

In contrast with Farinacci, who is the leader of the extreme wing of Fascismo, Turati belongs to the moderate group, though he himself is a close friend of Farinacci. This was interpreted to indicate the abandonment of extreme intransigence by the Fascist Party, with the consequent strengthening of the Central Government and the lessening of the influence of the



THE FASCIST WAY

In the Puster Valley a cow has been arrested because it does not produce chianti [an Italian wine].

*Simplicissimus, Munich*

party, as such, in the conduct of the affairs of the nation. Turati hitherto has dedicated himself almost exclusively to organizing Fascist trade unions, or corporations, as they are called in Italy. This also indicated a changed policy on the part of the Fascist Party in view of the proposed constitutional reforms, giving the labor organizations great political power.

The change in the policy of the Fascist Party was not interpreted as meaning that Farinacci had been thrown overboard. Not only are Farinacci and Turati friends, but the Grand Council in accepting Farinacci's resignation voted a motion expressing praise and gratitude for what he accomplished in the fourteen months he was head of the Fascist Party. Farinacci still enjoys Premier Mussolini's complete confidence. It was stated that, the Matteotti trial being over, there was no necessity of continuing to keep the Fascist organization on a war footing, and that it was time to return to normalcy by strengthening the Central Government and curbing the Fascisti in the provinces.

## Czechoslovakia's Arbitration Treaty With Austria

*Significant Visit of Dr. Benes to Vienna—Jan Cerny Becomes Czechoslovak Premier—General Averescu Succeeds Bratiano as Head of Rumanian Government—Yugoslav Cabinet Crisis—Greek President's Resignation*

By FREDERIC A. OGG

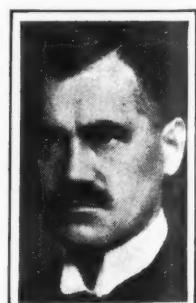
Professor of Political Science, University of Wisconsin

THE arrival of Foreign Minister Benès in Vienna on March 4 for the first visit he had paid to that city since the days when he was a Deputy in the Austrian Imperial Parliament was looked upon throughout Central Europe as an event of considerable importance. The immediate occasion for his presence in the historic capital was the signing of the Austro-Czechoslovak arbitration treaty on March 5. To the significance of this document in itself were added numerous implications from the friendly manner in which the Minister was received and from his utterances in formal addresses while there. "We have taken another big step toward the consolidation of Central Europe, which is Czechoslovakia's settled policy," was one of his much-applauded remarks. Toasting the distinguished visitor at a dinner, Chancellor Ramek hailed him as the first statesman to realize Austria's plight, coming to her aid even before the League intervened and consistently proving her strongest friend. Benès replied that the close relations of the two countries during the past seven years were quite natural in view of the political, economic and cultural bonds uniting the two peoples for the previous seven centuries. The friendly tenor of the speeches, the fact that both Benès and Ramek spoke in French and the visitor's observation that the union of Austria with Germany seemed remote stirred some feeling among the Pan-Germans, and also aroused antagonism in Fascist circles, where it was interpreted somewhat as a counter-move to the Italian-Yugoslav meeting recently in Rome.

An official summary of the arbitration treaty published on March 6 showed the agreement to be one of the strongest of

its kind, making arbitration obligatory for absolutely every sort of dispute. All judicial questions must be submitted to a permanent council of arbitration, to be created within six months after ratification, and to consist of one Austrian and one Czechoslovak with a neutral President. Appeal is allowed to The Hague Court. All other disputes, including those of a political nature, must be submitted to The Hague Court unless a settlement can be effected through the regular diplomatic channels. If a mutually satisfactory settlement fails at The Hague, a joint appeal may be taken to the Permanent Court of International Justice, whose jurisdiction is to be final. Both parties bind themselves not to take steps prejudicing a settlement once arbitration begins, and to authorize the Court, if necessary, to take measures to protect each party while the case is pending. The treaty is valid for ten years, and if not denounced a year before expiration is automatically renewed for another decade. It completes the mutual friendship treaty of Lana signed in 1921.

The Svehla Cabinet, in office since October, 1922, resigned on March 17, the reasons officially assigned being the Government's failure to meet the demands of the functionaries for increased pay and its attempt to place additional taxes on grain. Premier Svehla did, indeed, resign last November in consequence of the Parliamentary elections, but he was recalled to office when other aspirants to the



Dr. Jan Cerny, Prime Minister of Czechoslovakia

Premiership found themselves unable to form a government. Jan Cerny, who held the Premiership under similar conditions in 1920, formed a Ministry to succeed that of M. Svehla. Dr. Benes was continued at the Foreign Office and Dr. Englis as Minister of Finance. The new Government was constituted as follows:

M. CERNY—Prime Minister and Interior.  
 M. BENES—Foreign Affairs.  
 M. ENGLIS—Finance.  
 M. PEROUTKA—Commerce.  
 M. HAUSMANN—Justice and Food.  
 PROFESSOR KREMAR—Education.  
 M. SLAVIK—Agriculture and Unification of Laws.  
 GENERAL SYROVY (Chief of the General Staff).  
 —National Defense.  
 M. RIHA—Railways.  
 M. FATKA—Posts and Telegraphs.  
 M. PROCHAZKA—Health.  
 M. SCHISSL—Social Welfare.  
 M. ROUBIK—Public Works.  
 M. KALLAY—Minister for Slovakia.

A few days after the Ministry was formed it was reported that the Agrarians and Clericals were opposed to M. Benes remaining in office while also a member of Parliament; however, this opposition did not develop to serious proportions.

It was stated on March 12 that because of domestic opposition the Czechoslovak Government had definitely rejected the offer of an American syndicate of \$6,000,000 for the exploitation rights to the rich forests of Slovakia and the Carpathian areas.

### Rumania

DURING the later part of March a political situation long increasing in tenseness reached a stage correctly to be described as critical. The four-year mandate of Parliament and the term of office of the Bratiano Cabinet constitutionally expired on March 27. In compliance with the Constitution, therefore, M. Bratiano resigned and King Ferdinand was confronted with the task of deciding whether to commission the ex-Premier to form a new Ministry or to turn to the Nationalist and Peasant opposition, which won notable victories in the municipal elections of February. King Ferdinand, however, chose a middle road, and on March 30 it was announced that a new Govern-

ment had been formed by General Alexander Averescu, who is a former Premier and who is generally considered to be a puppet in the hands of Bratiano.

The King's freedom of choice was seriously prejudiced by events immediately preceding the dissolution—in particular by the enactment of a new electoral law on March 25. The results of the local elections had plainly shown that the hold of the Liberals—the party of the Bratiānos and the Queen's favorite, Prince Barbu Stirbey—upon the country was slipping, and accordingly it became the object of the party's leaders to force through Parliament an electoral "reform" measure providing a widely altered system for use in choosing the new Parliament. This law, as passed, was modeled closely upon Mussolini's electoral law in Italy, being intended greatly to curtail the effects of universal suffrage as introduced since the war, and thereby to perpetuate Liberal rule. The measure passed by a vote of 136 to 3, the Nationalists and Peasants abstaining from voting. It is a maxim in Rumanian politics that the Government never loses an election; and it was a foregone conclusion that, under the new law at all events, a Bratiano Government would not lose the election due to be held before May 27.

On March 16 the authorities decided to close Bucharest University and suspend all courses of instruction indefinitely because of a student strike, which was called principally as a protest against the admission of Jewish students. Three days later a country-wide strike of lawyers began, in protest against a bill then before Parliament putting a heavy stamp tax on legal transactions. It was generally believed that both movements were not wholly unconnected with the complicated political game that was being played.

On March 18 Parliament ratified the agreement signed in Washington in December for the funding of Rumania's debt of \$44,590,000 to the United States.

### Greece

ADMIRAL CONDOURIOTIS, who assumed the regency of the country when King George II was compelled to go into exile in December, 1923, and who became

Provisional President upon the formation of the republic after the plebiscite of April, 1924, resigned on March 19. The dictatorial nature of the existing Pangalos Government had left the Presidency a merely honorary office.

With a view to improving relations between Greece and Italy, M. Rufus, Foreign Minister, and M. Tavoularis, Minister of Communications, visited Rome on March 4 on their way to the League of Nations meetings at Geneva. General Pangalos was reported to be desirous of allaying bad feeling growing out of rivalries in the Eastern Mediterranean, and especially of securing a removal of the embargo by which Greek ships are not permitted to call at Italian ports.

On March 1 the Athens Government paid to the Bulgarian Government the second half of the indemnity adjudged by the League Council for damage during the Greek incursion at Petritch.

Cable messages of March 27 told of agreements arrived at in Athens whereby the American School of Classical Studies, aided by American foundations and interested individuals, will have complete charge of excavating the ancient Agora, or market place, of Athens.

April 23 was the date chosen for the dedication in Athens of the Gennadius Library built by the Carnegie Corporation for the American School of Classical Studies in Athens. This building has been erected at the cost of approximately \$300,000, this sum having produced in Athens as fine a building as three times that amount would erect in the United States.

### Hungary

THE special Grand Jury—the so-called "Accusation Senate"—which investigated the franc counterfeiting scandal, handed down the results of its inquiries during March. True bills were returned against Prince Windisch-Graetz and twelve other persons; the indictments against three were quashed; and the temporary release of eleven minor employes of the Cartographic Institute was ordered. Speaking in Parliament, Count Sigray, the Legitimist leader, said that Prince Windisch-Graetz told him on New Year's Eve that Premier Bethlen and other Government officials

had foreknowledge of the counterfeiting plans.

A commercial treaty with Austria, concluded after protracted negotiations, grants considerable facilities to the paper, textile, ironware and electrical industries of Austria, but also obtains valuable concessions for Hungarian agriculture, particularly in respect to wine, fruits and flour.

Secretary of State Kellogg appeared before the United States Senate Committee on Foreign Relations in Washington on March 3 to oppose any action by Congress which would deprive him of the authority under which he excluded Countess Karolyi from the United States. He, however, declined to explain the reasons for this particular exclusion, alleging that they were based largely on confidential information and that to disclose them would embarrass the State Department.

### Poland

THE outlook for a revival of industry has been greatly improved by recent moves toward closer business relations with Russia and Czechoslovakia. A Polish-Russian Chamber of Commerce was formally inaugurated in Warsaw in February, and on March 9 it was announced that Hipolit Glivic, formerly counselor of the Polish Legation in Washington and now Director of the Department of Commerce in the Ministry of Commerce and Industry, had been appointed Chairman of the Polish delegation for negotiating a treaty of commerce with the Moscow Government.

The movement for linking up commercially with Czechoslovakia seemed to be gaining ground rapidly. M. Lasecki, Polish Minister in Prague, has come out strongly for a Polish-Czechoslovak customs union, largely on the ground of a possible "German menace," and the main committee of the Radical Agrarian Party has taken a similar stand.

### Yugoslavia

THE proposal made by Foreign Minister Ninechitch to Premier Mussolini, on the occasion of the former's recent visit to Rome, that Yugoslavia and Italy agree for five years to remove all military forces from along the common border has been

publicly endorsed by Stefan Raditch, who, from having been a bitter opponent of Italy, has become an admirer of Mussolini. Raditch is quoted as saying that the most important need of both countries is to unite them by railways.

Outstanding in domestic affairs was a political split between the Government and the Croatians, which resulted on April 1 in the resignations of Stefan Raditch as Minister of Education and four other Croatians who held Cabinet posts. The Pashitch Government fell on April 4 as the culmination of the crisis.

Much dissatisfaction continued to exist in Yugoslavia because of the imperfect execution of the treaty of May 10, 1923, whereby Greece created a Serbian free zone in Saloniki. It is charged that ever since the convention was signed the successive Greek Governments have raised difficulties which have ended by making the privileges accorded wholly illusory; and it is contended that Yugoslav commerce is on that account unduly shackled. There is complaint also

because the Greeks will not permit the Serbs to administer some forty-eight miles of the six hundred miles of railroad connecting Yugoslavia with Saloniki, for the reason that this sector traverses Greek soil; while the Greeks themselves administer the entire line from Saloniki to the Serb town of Monastir, although the part from Kenali to Monastir is in Yugoslav territory.

### Bulgaria

A MASS trial in which more than one hundred Agrarians were involved on various charges was concluded on March 8. Eight persons—chiefly members of the Stambulisky Cabinet—were condemned to death. All, however, are at the present time outside of the country's jurisdiction. The remainder were acquitted, or the cases against them were dismissed in accordance with the general amnesty. This cleared the judicial calendar of political cases down to, but not including, the bombing of the Sofia cathedral.

[RUSSIA]

## Defeat of Latest Plot to Overthrow Bolshevik Rule

*Conspiracy for Which Thirteen Estonians Paid the Death Penalty—  
Economic Measures to Strengthen Soviet Union—Concessions to Foreign  
Companies—Growth of Trade With Great Britain*

By ARTHUR B. DARLING  
Assistant Professor of History, Yale University

AFTER executing the thirteen Estonians at Leningrad on March 3, the Soviet authorities made public some details of the trial. The conspirators had defied the tribunal which sent them to their death. They had declared: "The Soviet power will not last. A war will come igniting a peasant rebellion. Nicolai Nikolaievitch (Grand Duke Nicholas) will then enter the arena, establishing a republic." They had asserted that in the upheaval the leaders of the Communist Party would be thrown down from their positions of eminence and power, but that the system of Soviets would remain as the structure of a Socialist republic. From the

evidence obtained in the trial, the Communists had reason to believe that their enemies had been active in military preparations along the Eastern borders and especially in Estonia. But Stalin and his group had long before appreciated the necessity of winning the peasantry to support the Bolshevik régime. They had already bent their energies to that task. With the latest plot against their control uncovered and dispersed, they went on with their program to stimulate economic activity and to strengthen finances in the Soviet Union.

The Government decided on March 4 to purchase 14,200 more tractors in the United States and Germany. Two commis-

sions of engineers left for Germany, France and the United States during the following week to study hydroelectric plants, grain elevators, transloading equipment, general engineering methods and machinery. Seeking foreign capital to develop Russia's natural resources and to provide revenues for the Government as well, the Soviet authorities have granted concessions to Japanese and British companies. A provisional agreement has been signed with a group of Japanese timber companies for the exploitation of 5,000,000 acres in the maritime province of Eastern Siberia. The Japanese are to enjoy timber rights, including the manufacture of paper pulp, for forty-five years. They are to pay the Soviet Government a tax of 25 per cent. on all timber exported from the region. A British company has been given rights for thirty-six years to mine silver, lead and iron near the Amur River. The company must spend \$200,000 on exploration during the first three years and sell the entire output of the mines in its concession to the Soviet Government if it wishes to buy. An agreement has been concluded between the Soviet Government and the Cunard and Holland-America shipping companies with regard to traffic on the Volga River and its tributaries. The Government is to contribute the entire commercial fleet on those rivers with all wharves, quays and shipyards. The companies on their part are to supply capital of equal value. They are to have a monopoly of freight and passenger traffic and entire control over the operation of the river lines. The Government is to have no voice in the employment or discharge of personnel. Proceeds are to be shared equally between the Government and the Cunard and Holland-America companies. It is claimed that the freedom with respect

to personnel granted to the shipping companies is a new departure in Soviet policy.

The authorities at Moscow are alert to possibilities for increasing or saving revenues. Several vacant palaces in Leningrad, once the property of the Czar or members of his family, have been offered to Americans or other foreigners to purchase or to lease for periods from twenty-five to fifty years. The conditions in any case are that the buildings be put in good condition and that customary taxes be paid. The Government has announced that it will manufacture 500,000,000 quarts of vodka in the coming year to produce a revenue for the State of approximately \$250,000,000, about 10 per cent. of its entire budget. Vodka, as now produced by the Government, is 40 per cent. alcohol. Its selling price is 90 cents a quart. To save money, the Government has issued a decree against useless advertising by State trusts, especially by those which are unable to supply the demand for the goods which they handle. It seems that Government institutions spent more than 21,000,000 rubles last year on advertising.

Distressed by the sorry spectacle of their courts, the Soviet authorities four months ago brought ninety-six Soviet Judges, lawyers and others to trial at Kharkov. On March 2 seventy of them were sentenced to prison. No death penalties were exacted. Clemency was given on the ground that the accused were members of the proletariat. The Court deliberated eleven days over a record of illiteracy, incompetence, bribery and corruption. One Demchenko was the most prominent person condemned. He had won the name, "King of Liberators," for he seemed able to gain freedom for any one who could pay his price. Demchenko received the maximum sentence of ten years in prison.

## NATIONS OF NORTHERN EUROPE

### Latvia

THE authorities at Riga learned on March 11 that Soviet police had arrested the Latvian Vice Consul at Leningrad on the charge of espionage, presumably in retaliation for the arrest of an official of the Soviet consulate in Riga by Latvian police on a similar charge.

### Lithuania

REFUSING to have direct dealings with Polish representatives, the Lithuanian Railway Directorate secured a settlement concerning the use of railway cars by negotiating through the German Central Railway Board. Identical texts of an agreement were signed by Lithuanians with the Ger-

man representatives and by Poles with the Germans. For their mediation the Germans received percentages of amounts payable by the parties concerned. Lithuania thus reached an understanding with Poland, but clung to its profession that it would have nothing to do with Poland.

Since the establishment of new tariffs, Lithuania's imports have declined so that in January exports exceeded imports by 6,800,000 litas. The imports of January, 1926, fell behind the imports of January, 1925, some 3,200,000 litas.

Upon receipt of a request from the President of the Council of the League of Nations, the Lithuanian Government suspended operations against the Polish frontier guards who had invaded Lithuanian territory on Feb. 22. Declaring, however, that the Poles were still remaining on Lithuania

nian territory and were mistreating eight Lithuanian guards taken prisoner, the Lithuanian Government addressed a note of protest to the British Foreign Office.

### Estonia

**OFFICIALS** viewed the trade balance in 1925 of 10,000,000 Estonian marks, an excess of exports over imports, as the result of rapid agricultural development. Whereas in 1924 first place among exports was held by textile products, in 1925 food-stuffs took the lead—dairy products constituting 25.9 per cent. of all exports.

The debt to France, incurred during the war for independence from Russia in 1918-1919, amounted to 13,000,000 francs. The last instalment of 1,800,000 francs was paid in Paris at the end of last year.

A. B. D.

#### [OTHER NATIONS OF EUROPE]

## Spanish Dictator Against All Change

*Primo de Rivera's Resolve to Maintain Present Control Indefinitely—Portugal's Financial Problem—New Cabinets in Holland and Norway—Danish Disarmament Bill Passed*

By JOHN MARTIN VINCENT

Professor Emeritus of European History, Johns Hopkins University

THE Spanish Government, as now constituted, has come to stay indefinitely. Such was the declaration of the Prime Minister, General Primo de Rivera, in an interview in the journal *El Debate*. General de Rivera reviewed the outstanding problems of the nation. He considered the situation in Morocco to be satisfactory in all respects: "Spain and France will again collaborate in military operations against the rebels. Abd-el-Krim, seeing the handwriting on the wall, is now anxious to accept any kind of peace."

The Premier further stated:

The Government has decided upon rigorous economies in expenditures and the elimination of all waste. We shall continue to spend money on the restoration and preservation of our national artistic treasures to prevent their decay and

disappearance. More highways will be constructed to attract tourists. The principle governing my views on economies is to do away with unnecessary salaries yet to pay those deserving of compensation in full.

The permanence of the Government is for an indefinite time, since the country desires no political changes. For the next ten months there cannot be any talk of collective assemblies or other constitutional changes, which will happen only after all other more urgent problems have been solved.

The General said further that the Government was not thinking of increasing the remuneration of the clergy, and added: "I believe that the Catholics of Spain must improve the situation prevailing in their churches and the living conditions of their priests, just as it is being done by Catholics in other countries."

The conflict between the Spanish Govern-

ment and the provinces of Catalonia broke out afresh after short intermissions. The attempt to enforce uniformity of language and administration has been carried to extremes which wiser countries have ceased to use, and the deprivation of privileges of local autonomy previously enjoyed has caused irritation and a sense of injustice. On the other hand, the Catalonians, who demand the right to use their historic tongue and develop their own literature and culture, are handicapped by the extremists on their own side, who demand separation from Spain and are ready to throw bombs in behalf of liberty. This gives excuse to the Central Government for further severities, proceeding on the assumption that every little manifestation of Catalonian custom or any difference of opinion is an act of treason. Hence suppression of newspapers and the crowding of prisons.

The latest example of governmental severity took place at the meeting of the Catalonian Bar Association, where the authorities announced that the proceedings must be conducted in the Spanish language. The speakers paid no attention to this order and, in consequence, have been made to suffer. It was reported that nine prominent barristers, composing the directorate of the Bar Association, after having been put in prison, had been sent into banishment to several remote parts of Spain. Each carried a letter to the Mayor of the town to which he was banished, informing that official of the circumstances and making him responsible for the safety, and doubtless the security, of the exile. The Government appointed a new Board of Directors for the Bar Association without consulting the nominees. The new Dean went to Madrid to expostulate, saying that he did not wish to be Dean, and the others desired to resign. The Government decided that they must accept the appointments as a patriotic duty, and issued the following statement:

It is hoped that among lovers of Spain common sense will come to the fore and valor and patriotism will prevail. If not, the Government, which does not use threats in vain, declares that it will issue a law by which all those who do not fulfill their duty of loving and serving Spain will be deprived of their citizenship and of the right of

exercising their professions. Their property will be confiscated.

Among the new projects announced by the Government were additional buildings for Madrid University and the foundation at Grenada or Cordoba of an important centre for Oriental studies with leading students of Arabic in charge.

## Portugal

THE Portuguese Chamber of Deputies settled down to work during the first week in March for serious consideration of the budget of 1926-27, ready to resort to night sittings until the matter could be settled. For some years the annual budgets have not been passed, recourse having been had instead to a system of monthly appropriations in advance as money was required. Among other subjects demanding attention was the tobacco monopoly, which was due to expire on April 30. It had to be decided whether this privilege would be renewed, or whether liberty to manufacture should be introduced. It was reported that public opinion for the most part favored the latter course. Other important matters before the country were the revision of the rules of Parliament and of the Constitution itself. The amendment clause of the Constitution states that revision must take place every ten years, but can, if necessary, be anticipated by five years. The last revision was made in 1921.

The troubles in the Bank of Angola and in the Bank of Portugal continued to occupy public attention. While prominent persons have been under suspicion, there appeared to be no connection between the two cases. The Bank of Portugal considered itself to be unjustly under suspicion. Investigation of the latter case was taken up promptly and it was soon established that neither the Bank of Portugal, nor the Government, nor the High Commissioner for Angola had received any spurious notes. The bank brought suit against the Judge who had been first appointed to investigate the case and who was afterward dismissed. The ground of action was abuse of authority and divulging secrets. The bank also entered suit against the Socialist Deputy, Armando de Alpoim, for damages for libel.

## Holland

THE Cabinet crisis, which lasted nearly four months, was brought to a close, at least temporarily, on March 4 by the formation of an extra-parliamentary, or emergency, Cabinet.

This Cabinet is composed as follows:

JONKHEER DE GEER—Prime Minister and Finance.  
 JONKHEER VAN KARNABEEK—Foreign Affairs.  
 M. G. B. KAN—Home Office.  
 M. DONNER—Justice.  
 M. WASZINK—Education and Art.  
 PROFESSOR VAN ROYEN (of Delft)—War and Navy.  
 M. H. VAN DER VACTE—Ways and Means.  
 PROFESSOR SLOTEAKER DE BRUIINE—Labor, Industry and Trade.  
 DR. KONINGSBERGER—Colonies.

The orthodoxy of the synod of the Calvinist Church of Holland can no longer be questioned. At its meeting in March this body decided by unanimous vote to expel from the church the Rev. J. H. Geelkerken, who in a sermon cast doubt upon the story of Eve and the serpent. The expulsion of Mr. Geelkerken has caused a strong reaction in at least two of the larger churches in Assen, where a majority of the officials of the congregations stand by the minister.

## Norway

THE Government of Norway passed into new hands on March 4. Prime Minister Mowinkel, after the vote on the conservative and agrarian amendments to his financial policy, announced that he could not obtain sufficient support to continue in power, and he handed in the resignation of his Cabinet. This was accepted and a new Government was formed as follows:

M. LYKKE—Prime Minister and Foreign Affairs.  
 M. WEFRING—Defense.  
 M. KONO—Finance.  
 M. VENGER—Labor.  
 M. CHRISTENSEN—Justice.  
 M. MAGELSEN—Church.  
 M. MORELL—Social Affairs.  
 M. ROBERTSON—Commerce.  
 M. BAERØE—Agriculture.

Messrs. Wefring and Venger were members of the 1923 Cabinet, and M. Konow of the 1912 Cabinet. M. Robertson is British Vice Consul at Hemmerfest.

While M. Lykke was engaged in the for-

mation of his Cabinet a claim was suddenly raised in influential circles outside of Parliament for the formation of a government under the leadership of Dr. Nansen, with the restoration of the finances of the country as the sole object. An indispensable condition for the success of this scheme was the support of all the bourgeois parties represented in the Parliament. This support could not be obtained and M. Lykke cut short the crisis by completing his Cabinet. It was reported that a rupture in the Liberal-Left Party ensued from which further developments might be expected.

Shortly after entering upon its duties the new Government stated that it would submit for the consideration of Parliament a bill proposing a plebiscite in October to determine whether prohibition of liquors should be continued. The present law does not ban the importation of wines, which will not be affected.

## Denmark

THE Danish Folketing (House of Representatives) on March 12 passed the final reading of the Disarmament bill, which practically calls for the abolition of the Danish army and navy, leaving only frontier and customs guards and a number of vessels for coast duty. This project of the Defense Minister, Rasmussen, and the Socialist Party encountered strong opposition from both Conservatives and Liberals, who declared their astonishment that the Government should dare to support such a measure in the face of present conditions in Europe. The bill was carried by a close vote of 70 to 71.

The Rev. Anton Bast, Methodist Episcopal Bishop of Scandinavia, was on March 19 found guilty by a jury of the fraudulent conversion of 182,000 kronen (\$47,684) of charity funds and was sentenced to three months' imprisonment.

## Sweden

WHILE Foreign Minister Oesten Unden reaped golden opinions abroad for his stand at Geneva against an enlargement of the Council of the League of Nations, he was severely criticized at home by the opposition Conservative elements, both in

the press and in the Riksdag. The question whether he had gone beyond his instructions in offering to resign Sweden's seat to make way for Poland as a way out before he received formal authority from Stockholm was the point most vigorously discussed, the critics taking the position that it was unnecessary to sacrifice Sweden's position as a representative of the "Neutral Bloc" in order to preserve the Locarno entente between France and Germany. Unden was defended vigorously by Eliel Löfgren, leader of the National Liberals, and by the press organs for the Popular Party, and with this support his parliamentary position remained secure. Mr. Löfgren was also at Geneva as the second Swedish representative.

The attempt to abolish the proportional election system, in force in Sweden since 1909, failed. The parties of the Left also rejected the Conservative proposition to refuse suffrage to those unable to prove that they had paid their taxes. The Government's Liquor Control Board rejected "in the interest of temperance" a proposal of the prohibitionist interests to reduce the maximum liquor ration of four liters per month. Smuggling has been greatly reduced and a further reduction of the legal allowance might produce a renewal of the bootleg trade, the board held.

The Government, which controls all broadcasting in Sweden, has announced its intention of giving its nation-wide audience an opportunity to test its fund of information. To the regular radio programs, which now reach more than 120,000 receivers, there will be added questions like Thomas A. Edison's list. The Government radio service is also teaching foreign languages, English being the chosen subject this year.

The Nobel Foundation has announced that the Nobel Prizes for the year 1925 will each be worth about \$31,350. This is based on the net income from the estate of the founder, which yields much less than before the war.

### Switzerland

**T**HE Canton of Basel-Land is engaged in the revision of its Constitution. This little rural State has been just too large to live under the popular assembly

system of lawmaking, but has observed the rule that every law of its Legislature should be subject to an obligatory referendum. Experience has shown this to be burdensome and ineffective, hence a proposal to use the referendum only on petition of a sufficient number of voters. In Basel-Land reduction of the size of the Legislature and the limited introduction of woman suffrage are contemplated.

The National Bank of Switzerland reported for the year 1925 net profits of 6,686,144 Swiss francs. Of this 500,000 francs was placed in reserve according to law and 1,500,000 set apart for dividends. The interesting thing about this institution is that after these reservations have been made the remaining balance of profit is divided between the Cantons and the Confederation. The Cantons receive 80 centimes per inhabitant and two-thirds of what remains after that amount has been deducted. The consequence was that the Federal Treasury received 527,295 francs, as compared with over 3,000,000 distributed among the States.

According to the 1920 census, the complete results of which have just been published, the population of Switzerland in that year was 3,886,000, compared with 3,880,000 in 1915 and 3,741,000 in 1910. Of the 1920 population 402,383 were foreigners.

Since 1918 there has been held every year in connection with the exposition at Basel a day of conference on the situation of Swiss citizens in foreign countries (*Journée des Suisses à l'étranger*). It is a significant fact that it has been decided to hold this meeting hereafter once in three years. In view of the stabilization of economic and political affairs, there are not enough important questions to justify such frequent conferences.

The ex-Crown Prince of Germany has rented for several months a large villa at Minusio, near Locarno. The announcement of this step led to a question as to whether the former Kaiser planned to move to Switzerland, but no authoritative information on the subject was forthcoming.

# Steps Toward Modernization of Turkey

*French Objections to the Syrian-Turkish Treaty—Egyptian Election Campaign—Continued Disorders in Syria—Ibn Saud Recognized as King of the Hedjaz—Palestine Gendarmerie Disbanded*

By ALBERT HOWE LYBYER

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THE Syrian-Turkish draft treaty, which was concluded at Angora on Feb. 18 by Henry de Jouvenel, French High Commissioner for Syria, was decided by French experts at Paris to require some modification. Inasmuch as France is a member of the League of Nations and holds Syria under mandate from the League, it was considered desirable that some reference to France's obligation on account of these relationships should appear in the treaty; if, for example, Turkey should come into war with Great Britain over the Mosul boundary in violation of the League's decision, France could not well maintain neutrality as promised in the Angora treaty. It is further to be stipulated that Turkey may not use the Bagdad Railway, where that line passes through Syrian territory, for the movement of troops if it appears even indirectly that aggression is contemplated. These suggested modifications express a distinct desire of France to cooperate with Great Britain as regards the Iraq situation. The French legal experts also desire that boundary disputes be considered subjects for arbitration, and be not excluded under the provision that questions of sovereignty be exempt from arbitration.

New regulations for foreign schools were issued early in February. All Turkish teachers must be nominated by the Minister of Education and must be native-born Turks and "endowed with national sentiments." Class registers must be in the Turkish language and every school must have upon its walls a large-sized photograph of President Mustapha Kemal Pasha. The English High School for Girls in Constantinople was closed on March 4 because of the refusal to install

as teacher of Turkish a Turkish ex-officer, who was regarded as an undesirable by the school. At about the same time the Turks requested the Ionian Bank, which is a British institution, to employ a larger proportion of Moslem Turks, at salaries fixed by Turkish authorities, on penalty of being closed. At first the number was set at 50 per cent., but later this was reduced somewhat.

The creation of the sugar monopoly caused the disappearance of sugar from the market, pending the arrival of sugar consigned to the Government and an official fixing of the price. A bill was submitted to the National Assembly proposing a Government monopoly for the manufacture, importation and sale of all alcoholic beverages in Turkey. Existing distilleries and breweries will be allowed three months in which to go out of business. It is stated that many Moslems have replaced Christians as saloon keepers, and that the use of alcoholic beverages has increased greatly among the Turks.

Other less undesirable features of Westernization have been introduced or promoted by laws and ordinances. The beginning and end of the Feast of Ramadan is to be settled astronomically instead of by watching for the new moon. The contributions formerly given to the poor by pious Moslems, with the skins of sheep sacrificed at Bairam, are to be handed over to the Turkish Aviation League. A new set of postage stamps has appeared, printed in England, and bearing on their face the words "Turk postaları" in Latin characters. Notice has been issued in Constantinople that worshippers in mosques must wear hats and keep them on. It appears that on account of the difficulty of bringing the forehead close to the ground dur-

ing prayers, some worshippers have been laying aside their hats and tying handkerchiefs about their heads.

Regulations have been issued providing that any graduate of a Turkish law school who has passed the necessary examinations may be appointed to any judicial position, regardless of sex. Another less flattering step toward the equality of the sexes has been taken by the Chief of Police of Constantinople in ordering the arrest of all women who criticize the reforms in dress and religion or spread propaganda against the Government.

The Assembly appropriated 300,000 Turkish pounds to begin work on a railway between Angora and Eregli.

### Egypt

At the meeting of the so-called "Tripartite Opposition" on Feb. 19 Zaghlul Pasha, Adly Pasha and Sarwat Pasha, long-time rivals and opponents, were seated together. The first named stood out against the suggestion that the opposition parties ought not to participate in the approaching elections. The Prime Minister, Ziwar Pasha, yielded to the pressure of seventy members of the Senate who signed a protest against the new electoral law. This new law had met with so much criticism that the British High Commissioner was believed to have recommended its withdrawal. On Feb. 22 the King signed a decree which directed that Zaghlul's electoral law of 1924 should be the basis of the new election. The Prime Minister announced that he would resign immediately after the opening of the new Parliament, in order that the King might choose a new Prime Minister in accordance with the results of the election. As a result of this change the campaign was proceeding with much less tension than had promised to be the case. The Tripartite Opposition proposed to unite on a single candidate in each electoral district.

The electoral assembly of the Greek Orthodox Church which is engaged in selecting a successor to Mgr. Photios as Patriarch of Alexandria submitted seven names to the King, who struck from the list the name of the well-known ex-Patriarch of Constantinople, Metaxakis, as well as those of the Metropolitans of

Athens and Nubia. It was understood that the assembly had been notified that the new Patriarch must be a citizen of Egypt.

The text of the treaty of Dec. 6, 1925, between Italy and Egypt in regard to the boundary between Cyrenaica and Egypt shows that the irregular part of the frontier line, which extends from a point on the Mediterranean Sea a few miles west of Sollum about 150 miles in a southerly direction, is arranged with reference to caravan routes, with special provision for free communication on the Egyptian side of the line between Sollum and the oasis of Siwa.

The case concerning the Egyptian tribute, was brought up before the Court of Appeal at the beginning of March. On June 15, 1925, the mixed courts ordered the Egyptian Government to resume payment of the "tribute," with 5 per cent. interest on delayed instalments. The Government is now appealing against this decision.

It appeared that the objection of the Egyptian Government to accepting the offer by John D. Rockefeller Jr. of \$10,000,000 to construct a new museum building in Cairo and to found an Archaeological Institute lay in the condition of the donor that the work should be controlled for thirty-three years by a committee of management in Egypt which should consist of two Englishmen, two Americans, two Frenchmen, and two Egyptians.

The Egyptian Government announced that 100,000 bushels of wheat and \$25,000 in gold would be sent to Mecca as a renewal of the former annual contribution, and that, on account of a state of excessive drought in the Hedjaz, this gift would be sent some time before the pilgrimage.

Judge Pierre Crebites of the Egyptian Mixed Tribunals writes:

On May 2, 1926, the Commission of the Egyptian Public Debt will celebrate its fiftieth anniversary. As the origin of the Egyptian question in its present shape is financial this event is of striking interest. The decrees of 1876 which created the commission provided that certain revenues should be pledged to the service of the debt and others left at the disposal of the Government. As soon as Great Britain placed Egypt's finances in order it was found that these laws hampered the proper development of the country. In 1888 the Powers agreed to a derogation from

this rule in respect of "extraordinary expenditure undertaken with the previous consent of the Commission of the Debt." This new system opened the door to international intrigue which was only closed in 1904 when France and Great Britain became reconciled. In that year the functions of the commissioners changed. They are now merely the disbursing agents of bondholders and cannot interfere in administrative matters. The board originally consisted of an Englishman, a Frenchman, an Italian and an Austrian. Subsequently a German and a Russian were added. Now there are but three commissioners, an Englishman, an Italian and a Frenchman. Lord Cromer was the first English commissioner.

### Syria

**T**HE state of revolt and disorder in the Druse country and the neighborhood of Damascus continued. The parties of raiders continued at intervals to cut the railway from Damascus to Beirut as well as the Hedjaz railway south from Damascus. Occasionally the wire entanglements around Damascus were cut and some quarters of the city damaged. The reports of incidents vary according as the news comes from French or insurgent sources. Early in March it was reported that 200 French soldiers had been ambushed and that only eight had escaped. Toward the end of the month the French, after severe fighting with a band of Druses, succeeded in occupying Nebk, a town of some 8,000 population, half way between Damascus and Homs.

The Syrian Nationalist representatives who interviewed members of the Permanent Mandates Commission at Rome declared before the Commission that the French mandate had been applied by brute force and that, in consequence, the greater part of the Arab population was disposed to revolt. They also charged that the elections have been conducted under compulsion, and that in creating four States High Commissioner de Jouvenel has transgressed the spirit of the mandate which refers only to Syria and the Lebanon.

Early in March a Druse Assembly was held at Duma and prepared a letter to the High Commissioner in which the assembly made a series of drastic demands, including complete independence of Syria, the right to foreign representation and to admission to the League of Nations; the with-

drawal of all French troops and a general amnesty. The High Commissioner replied that the letter rendered all negotiation impossible, and that henceforth he would accept nothing less than unconditional surrender. The drastic character of the insurgent demands is supposed to be related to the French Ministerial and financial difficulties in Paris, which gave rise to hopes that a Socialist Government might obtain control, which would favor a virtual abandonment of the Syrian and Riffian contests.

A dispatch at the end of March reported that Damascus was safe for foreigners. Three lines of barbed wire surrounded the city. Soldiers were posted at principal points behind barricades of stone and sandbags. The minarets of the mosques were fortified with machine guns. Block houses had been erected along all roads leading into the city. There was shooting every night in the suburbs. It was estimated that 1,000 insurgents operated around Damascus and 6,000 more in the rest of Syria, exclusive of the Druses.

Certain foreign Consuls were quoted as criticizing the French intention to conquer Syria by force of arms. They said that to settle the uprising in this way 100,000 troops would be necessary; the uprising, they added, was not religious, but political. Terms could be made with the Druses, if the French would abandon the demand to lay down arms. It was asserted that outside Beirut, Damascus, Homs, and Aleppo the whole of Syria was in the hands of the rebels. The practice is to disband at the approach of a French column and to reassemble after it has passed. The road between Beirut and Baalbek was well patrolled by Syrian gendarmerie. The road over the anti-Lebanon to Damascus was not safe. The economic situation was bad and growing worse. The hotels in Damascus were empty.

### Arabia

**I**T was reported that the British, French and Russian Governments had recognized Sultan Ibn Saud as King of the Hedjaz. The new King appeared to be making every effort to further the safety, comfort and inexpensiveness of pilgrimage to the Holy Cities of Islam. Whereas

under King Hussein about \$100 was collected from each pilgrim for transportation from Jeddah to Mecca, including protection on the way, the rate either by camel or automobile has now been set at \$2.50.

St. John Philby has taken occasion to correct current errors in regard to Ibn Saud. He states that the King-Sultan is only forty-five years of age. Ibn Saud's father is still alive at the age of about seventy years. The family while in exile at Koweit were not paupers but in possession of moderate means. Ibn Saud did not kill the Emir of the Shammar Tribes. The last two rulers of Hail are alive and enjoy a sort of gilded captivity at Riyadh.

### Palestine

DELEGATES of the Arab Executive appeared before the High Commissioner, Lord Plumer, on Feb. 23. After listening to a strong indictment from them of the mandatory system, the local Government, and the Administration of Sir Herbert Samuel, the High Commissioner declined to discuss these questions. Instead he announced the main lines of his intended policy. He desires to improve agricultural conditions, and plans, among other changes, to abolish the tithe system, substituting for it some form of land tax. He hopes with the help of the Kadoorie bequest to establish two agricultural schools. He declined to abandon the control of Arab education. He announced changes in the direction of representative municipal government, and promised an ordinance governing the rights of religious communities. Labor conditions will be improved, infant welfare will be promoted, and the Port of Jaffa will be improved extensively. The maintenance of public security is a fundamental necessity. He urged all influential members of the community "to abstain from any expression of their personal views which might endanger general peace."

The gendarmerie was ordered to disband. This force was in two parts, a British force in Palestine proper, and a mixed group in Eastern Palestine, composed of Arabs, Circassians and a few Jews. Both forces were uniformed in khaki with a black kalpak, or high fur cap,

with a small red bag hanging over the side. The British force lived in barracks in various places and was well supplied with Ford cars and motor trucks. Its maintenance was a heavy strain upon the finances of the country. The Ninth Lancers was also withdrawn, leaving no British troops in Palestine except the Royal Air Force. The interior of the country being now apparently very tranquil, the Royal Air Force and the Circassian squadrons from the disbanded gendarmerie will be held in readiness to protect the eastern frontier against Bedouin raids.

Official estimates stated that 33,801 Jews, including 14,034 men, 11,649 women, and 8,118 children entered Palestine as immigrants in the year 1925 and that 2,141 Jews emigrated, leaving a net increase of Jewish population of 31,660. About 15,000 of the immigrants came from Poland.

Early in March the High Commissioner signed a concession to the Palestine Electrical Corporation, Ltd., granting the right to exploit the waterpower of the country for the production of electricity. This followed up the preliminary agreement of 1921 signed in London between Mr. Rutenberg and the Crown Agents for the Colonies.

### Persia

THE Shah on Jan. 21 sent for and received a deputation from the Parliament. Shah Pahlavi expressed his devoted attachment to the Constitution and laws of the country and declared that Persia was in urgent need of reforms. He impressed the necessity of the speedy opening of the sixth term of Parliament, for which elections should be held immediately. He hoped that bills for the economic development of the country, and especially those for the construction of railways, should be passed as soon as possible by the current Parliament. The Deputies should increase their efforts for the moral reform of the people and should especially discourage the people from appealing to foreign aid in regard to Persian internal questions.

The railway bill authorized the engagement of four American specialists and a

number of Persian engineers for preliminary surveys. The Government would also be authorized to invite bids from competent foreign engineering firms. The bill provided that \$300,000 be appropriated from the tea and sugar taxes, which have already accumulated about ten times as much. It is hoped to connect Teheran with such points as Khanikin, Mohammerah, Duzdab, at the extreme southeast, and Astarabad on the Caspian Sea. The plan, like the railway construction plans of the Turkish Government, proposes to proceed slowly by means provided by the Persians toward the construction of railways which will belong not to foreign companies but to the Persian Government. Thus a serious possibility of future foreign intervention would be forestalled.

The Shah's son was proclaimed Valiahd or heir to the throne on Jan. 28 with the title of Shahpur Muhammad Riza.

The recently dissolved Mejliss, or Parliament, in addition to passing the railway bill, confirmed the five years' concession to the Junkers Company for an air service between the capital and Pahlavi (formerly called Enzeli), Bushire and Khanikin. The Parliament also passed a military conscription bill. One-half of the able-bodied men of 21 years of age are to be drawn by lot in twelve cities; it is expected that 24,000 men will thus be added to the strength of the standing army.

Early in February the Soviet Government declared an embargo on all Persian goods except cotton. This measure seriously upset the commerce of North Persia. Russian representatives stated that the sole reason was internal economic conditions in Russia. Persians, however, see in it a connection with the failure of the Parliament to ratify an agreement as regards the Caspian Sea fisheries.

[THE FAR EAST]

## Chinese War Episode Brings Powers' Protest

*Boxer Protocol Signatories Demand Free Communication Between Peking and the Sea—Unpopularity of President Tuan Chi-jui—Fights Mark Close of the Japanese Diet*

By QUINCY WRIGHT

Professor of Political Science, University of Chicago

IN the middle of March incidents occurred at Taku on the Pei River which precipitated, according to T. F. Millard, "the most serious moment in China's relations with the powers since Japan's twenty-one demands." Marshal Chang Tso-lin's forces from the North, assisted by Wu Pei-fu from the South, had been gradually closing in on Peking and Tientsin, which were defended by the Kuominchun forces under General Feng Yu-hsiang. The latter fortified the Taku forts at the mouth of the Pei River, which lead to Tientsin and Peking, planted mines and forbade pilots going out. On March 8, hostilities occurred between a squadron from Shantung Province, favorable to Chang, and the forts. The United States, Great Britain, France,

Italy and Japan, signatories to the "Boxer protocol" of 1901, protested on March 10 against these acts on the basis of the Boxer instrument which required "the Chinese Government to raze the Taku forts and those which might impede free communications between Peking and the sea," and "conceded the right to the (protocol) powers to occupy certain points (including Tientsin) for the maintenance of open communications between the capital and the sea."

After this protest, China permitted a limited number of vessels to pass up the river under rigorous restrictions, but on March 12 two Japanese destroyers were fired upon by Kuominchun forces while passing up the river. One officer and two

men were originally reported injured, but the officer died two days later and it was reported that nine men had been injured. The Chinese Government apologized the next day, declaring that the affair was a "misunderstanding," apparently referring to the alleged disguising of the enemy as foreign vessels.

All the protocol powers have naval forces in Chinese waters. The United States has two cruiser gunboats, seven gunboats, nine destroyers, two mine sweepers, one air tender and one oiler, and on March 13 the United States despatched another destroyer division from Manila. On March 16 the protocol powers sent 48-hour ultimata by naval officers to both the Feng and Chang forces and notified the Peking Government in the following terms:

In order to maintain the general treaty right to international commerce and particularly the right to free access from the capital to the sea, provided in the protocol of 1901, the powers concerned demand:

1. The hostilities in the channel from the Taku bar to Tientsin must be discontinued.
2. The mines and other obstructions must be removed.
3. The navigation signals must be restored and not further molested.
4. Combatant vessels must remain outside the bar and refrain from interference with foreign ships.
5. Searches of foreign vessels, except by customs authorities, must be discontinued.

If satisfactory assurances on these points are not received by noon of Thursday, March 18, the naval authorities of the foreign powers will proceed to take such measures as they find necessary for the purpose of removing and suppressing obstructions of free and safe navigation of the channel.

In addition to joining in these demands, Japan demanded formal apology, punishment of all persons responsible for the firing upon Japanese destroyers at Taku and "remuneration" for those wounded. This word was used because less offensive than "indemnity." Foreign Minister Shidehara's policy of moderation toward China prevailed against demands for drastic military action.

Ten American missionaries and educators appealed to Minister MacMurray to urge American abstention from any naval action as contrary to the American policy of friendly cooperation with China.

Chinese opinion looked upon the ultimata as unnecessarily drastic, since the 1901 protocol was considered largely obsolete and the stopping of enemy troops and warships was necessary for the defense of Tientsin. Some observers pointed out that enemy ships were in the habit of closely following foreign ships or even of flying foreign flags for protection, thus rendering mistakes easy, and the suspicion was expressed that the Japanese destroyers, which had no immediate reason for going up the river, fired first and were, in fact, attempting to aid the Chang forces. In spite of this the two belligerents and the Chinese Government accepted the ultimata and river traffic was resumed on March 18. A thousand students assembled in front of the Chief Executive's palace at Peking in a demonstration against this acquiescence and were fired on by guards, first with blanks, later with bullets. Thirty or more were killed and over 100 wounded.

This incident was said to have rendered the provisional President, Tuan Chi-jui, so unpopular that he could not long continue in office. In fact, the political, financial and military situation indicated a change in the near future. Of the Cabinet announced on March 5, General Feng, Defense Commissioner; Dr. W. W. Yen, Foreign Minister, and Yang Wen-kai, Minister of Agriculture, refused to accept portfolios, and the entire Cabinet resigned on March 22, but were persuaded to hold on a little longer. Salaries of civil servants and teachers were in arrears and the evacuation of Peking by General Feng and his forces seemed imminent. Tientsin was taken by Chang forces on March 22, and both Tuan, the President, and Feng intimated that they expected to leave Peking soon.

In order to save themselves, the Kuominchun Party leaders made the suggestion that Peking be neutralized under the protection of the powers. Such a move was said to have been favored by all members of the diplomatic corps except the American. It would make Peking more isolated from China and less representative than it is today.

In Shanghai the ill feeling intensified by the events of last June has not subsided. A harmony dinner given by the Municipal Council served only to disclose

the wide divergencies in policy of the Chinese and the foreigners. On March 12, the first anniversary of the death of Dr. Sun Yat Sen, first leader of the revolution and head of the Kuomintang Party, was impressively commemorated. But on the same day a meeting of the "Constitutional Defense League" was held under strong police protection; the League is composed of foreigners and aims to fight Bolshevism. Speakers at the meeting asserted that the Soviets had appropriated \$5,000,000 for propaganda in China and that the Communist International was in direct connection with the Left Wing of the Kuomintang Party.

In the South the boycott of British goods continued, greatly to the detriment of Hong Kong trade, but a feeling of optimism prevailed with regard to the pending negotiations to end the boycott. The British were convinced that the Government and the great majority of Chinese would welcome normal trade conditions. The radical Canton Government has extended its power into Hunan Province in the valley of the Yangtse by defeating Chao Hing-ti, whose administration for the past five years has been described as successful.

The tariff conference seemed to be moving toward its conclusion. Agreements were nearing completion for Chinese tariff autonomy in 1929 with surtaxes of 5 to 30 per cent. before that. The remaining difficulty was that of appropriating the proceeds from the increased tariff. The powers insisted that they be used for abolishing likin, the internal trade tax, and the service of bonds. Japan in particular insisted that the Nishihara loans which she regards as valid be protected. A contingent fund for guaranteeing various railroad loans was also demanded.

The extraterritoriality commission finished its survey of Chinese law and planned to visit Shanghai, Hankow, Canton, Mukden and Harbin to study the operation of courts. The recent Dzung Kung-yi case, in which a Chinese was given a naturalization certificate and protection by the Brazilian Consul, was cited by the Chinese as evidence of the abuses of extraterritoriality, though the Brazilian protection, did not, in fact, avail in this case.

Lord Willingdon, on behalf of the British Government, was in Peking to investigate the best way of utilizing the returned Boxer indemnity money. A meeting of "Young China" favored expenditures for railroads rather than for education.

The Chinese population by last returns was 436,094,953.

## Japan

THE Diet closed on March 26, after a stormy session. The crisis occurred on March 11, when leaders of the Kenseikai (Government) and Seiyukai parties accused each other of graft, and fights occurred. More than 20 men were held for trial, the representatives to be tried by the Diet, and others by the courts.

The most important measures passed during the session were the doubling of the duty on wheat; an increase of 50 per cent. on flour; a law against reactionary laws such as the one in force when the American flag was stolen from the old Embassy grounds at the time of the immigration trouble; a law imposing penalties for the giving or accepting of blackmail; the taking over of the Nishihara loans to the Chinese by the Government from the banks which made them; a subsidy for domestic pig iron and steel; greatly increased educational subsidies; and appropriation of funds to replace a few auxiliary war craft, and taxes on soft drinks.

The Cabinet failed to secure the reduction on the land taxes which it had promised, and saved its position only by compromising with the Seiyuhonto, which party held the balance of power between the Kenseikai Government and the Seiyukai Opposition. A proposed bill forbidding foreign-style dancing in Japan was lost. Upon the closing of the Diet, Premier Wakatsuki began the formation of plans to reorganize the Cabinet.

In spite of Japanese unfriendliness to the United States since the enactment of the immigration legislation, orders for 5,000 tons of rails recently were placed with American companies.

The former Emperor of Korea, Pui Yi, has arranged to visit England during the Summer and plans to return via Europe and America.



BY FRANCIS H. SISSON, PROMINENT AMERICAN FINANCIER

THE three severe reactions in stock prices in March unquestionably represented the outstanding financial development of the year to date in the United States. The other noteworthy events of the month included the break in French and Belgian exchange and the opening of discussion of the American-Italian debt settlement in the United States Senate.

For the third time within the month stock market prices collapsed on March 29 and 30 under a wave of liquidation that came from all parts of the country, affecting securities of all sorts and driving prices of 231 securities listed on the New York Stock Exchange to the lowest prices for the year. A combination of circumstances unsettled confidence in the market, beginning with the first break in the market on March 2 and 3. Forced liquidation in many issues occurred when the rate for call loans was advanced from 4½ to 5 per cent. on March 29.

For many months there had been evidence of general belief on the part of the business community that stock values had risen to a higher level than was warranted by the business situation and outlook and that a downward readjustment was inevitable. This belief was manifested and at the same time strengthened by the gradually increasing weakness in the security price structure which began with the advance of the discount rates of four Federal Reserve banks last November. Inasmuch as the violent recession in the early days of March was remarkable for its abruptness rather than its actual extent, it was not surprising when renewed weakness appeared later in the month.

There was no doubt that the sharp break in stock prices in the latter part of March was partly due to the large volume of loans called by bankers. It was estimated that \$30,000,000 of loans were called on March 24 and an equal amount on March 29. The advent of open weather, with increased demand for funds by interior banks for financing seasonal trade and industrial activity, was a factor that was necessarily temporary, and the subsequent return of these funds to Wall Street might have a material bearing on the course of the market later in the season.

The United States Government, it was an-

nounced on March 24, also sent out notification of the withdrawal of a total of more than \$100,000,000 of its funds from depositaries throughout the country, and this action was associated with further heavy calling of loans by banks which sent the New York call money rate on that date to 5½ per cent., the highest since March 1. The Government withdrawals were made in connection with March financing, which assumed large proportions as a result of an issue of \$500,000,000 of new Treasury bonds, the maturity of approximately \$615,000,000 of Government obligations and the receipt of about \$400,000,000 in income taxes.

Some portion of the decline in stock prices at the beginning of March was due to the adverse decision of the Interstate Commerce Commission on the proposed "Nickel Plate" merger. Largely because of the market psychology that prevailed at the moment, the decision was interpreted as an unfavorable market factor, and was made the occasion for a concerted attack on the railway shares. More deliberate consideration, however, made it plain that the decree justified no such interpretation with respect to railroad stocks in general.

#### FRENCH AND BELGIAN FRANCS FALL

The Belgian Cabinet Council on March 15 decided to suspend all buying of foreign exchange temporarily and to institute a close investigation of recent deals in dollars and pounds in Belgium, also of stocks quoted in foreign exchange on the Brussels Bourse. The Cabinet gave the Minister of Justice authority to take stern measures against anyone found guilty of speculation or unable to prove the genuineness of purchases of foreign exchange for business transactions. It was generally admitted in Belgian financial and Governmental circles, however, that speculation was the result, not the cause, of the crisis. On the same day a slump in the Belgian franc provided the main market sensation in London and New York, when it dropped precipitately from 4.25 cents at the opening to 4.05 cents, with a slight rally that brought it up to 4.18 cents at the close of the day. The decline continued, reaching 3.85½ cents on March

Continued on Page xxiv.

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29 and 3.67 cents on March 30, the lowest since March, 1924. The failure of Belgium to effect another large international loan because of disagreement abroad over the terms was cited as a major factor in the recession of the Belgian franc.

Meanwhile the French franc also depreciated and on March 23 sank to 3.49½ cents, the lowest quotation since March 8, 1924, when cables registered 3.42 cents. On March 29 the French franc touched 3.40 cents in New York and cables on Paris sold in London equal to 3.38 cents.

#### SECURITIES MARKET

A reduction of \$81,660,000 in loans to brokers and dealers by the New York City Federal Reserve member banks was reported on March 26 by the Federal Reserve Board for the week ended March 17. This followed a decline of more than \$162,000,000 in the preceding week, and reflected a continuation of the heavy liquidation of Stock Exchange securities that set in at the beginning of the month. The stock and bond loans of the sixty reporting member banks in New York City as of March 17 amounted to \$2,803,949,000, as compared with \$2,885,609,000 in the preceding week. The loans of March 17 were the lowest reported so far this year, and were \$337,176,000 under the peak of \$3,141,125,000 for the week ended Jan. 6.

A development of large importance to the financial world came on March 7, when Secretary Mellon announced as the Government's March financing program an issue of \$500,000,000 long-term 3½ per cent. Treasury bonds, offered to the public at 100½. The bonds will mature in thirty years and will be callable at the option of the Treasury in 1946. This is the fourth time long-term refunding bonds have been marketed since the flotation of the Liberty loans. The last offering in March, 1925, was at 4 per cent. interest. Of subscriptions amounting to \$647,243,900 received through Federal Reserve banks for the new bonds, \$494,898,100 have been accepted to date and allotments made accordingly.

Proposals by private holders to sell \$121,750,000 in Third Liberty Loan 4¼ per cent. bonds at prices averaging 101 8-32 were accepted by the Treasury Department, it was stated on March 12, and payment for the bonds, plus accrued interest, was made through the Federal Reserve banks on March 23. This purchase followed an offer of the Treasury to buy about \$100,000,000 of these bonds for the account of the cumulative sinking fund. The privilege of tendering the bonds for sale expired on March 10, when offers to sell approximately \$148,000,000 face value of the bonds had been received. The Treasury decided to accept all proposals to sell at prices not exceeding

Continued on Page xxvi.

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Continued from Page xxiv.

101 10-32. The balance of the offers was rejected.

The Consolidated Stock Exchange of New York reopened on March 30 under a revised constitution and stipulations drawn up by the State Attorney General.

The Federal Reserve Board made public on March 16 a survey of present financial and industrial developments in the United States, in which it was stated that new securities floated in this country in 1925 totaled \$6,200,000,000, exclusive of refunding issues—the largest volume since war days, when the Government borrowed heavily for war purposes—without causing a serious strain on credit facilities, and at declining interest rates. Foreign issues during last year aggregated \$1,300,000,000, the report sets forth, of which about \$1,100,000, represented new issues and the remainder consisted of issues for funding operations.

The various States increased their debts by \$155,674,590 during 1925, according to an estimate made public on March 15. Retirements by maturity, sinking funds and so forth amounted to approximately \$27,000,000, leaving a net increase of \$128,674,590, which was \$90,000,000 less than the increase of the preceding year.

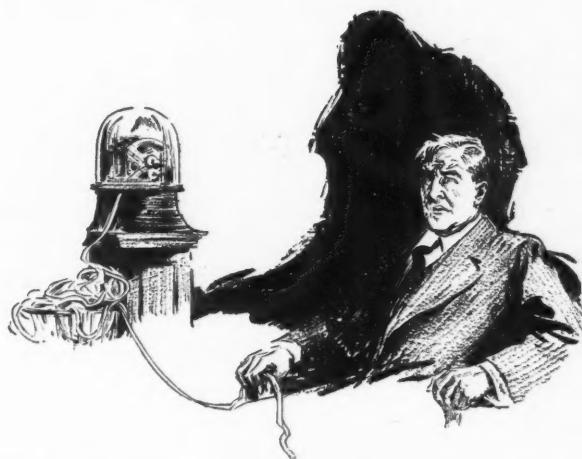
## C. & O. BOND ISSUE REJECTED

The Interstate Commerce Commission on March 30 refused to authorize the Chesapeake & Ohio Railway to issue \$10,621,000 of first lien and improvement twenty-year mortgage bonds, and the Commission emphasized its determination to exercise authority over all financial transactions of interstate carriers. In this instance it ruled that the applicant company should employ stock instead of bonds, thus overriding the desires of the Chesapeake & Ohio executives, who sought to obtain authentication of \$10,621,000 of improvement bonds to reimburse its treasurers for expenditures for improvements and for acquisition of control of the Sandy Valley & Elkhorn Railroad.

Thomas L. Woodlock, one of the newest members of the Commission, confirmed only a few days before the rendering of the decision after a hard Senate fight, concurred in the order of the Commission in this particular case, but in a separate opinion took a vigorous stand in opposition to interference by the Commission with the managerial judgment of interstate carriers, save upon the clearest evidence of public necessity.

Among the outstanding security issues during the month were \$15,000,000 Florida East Coast Railway Company bonds; \$10,916,000 City of Cleveland bonds, the second largest municipal bond offering of the year; \$5,000,000 bonds, representing the loan recently arranged with New York bankers by the General Union of Eight Bavarian Dioceses of the Roman Catholic Church; \$13,500,000 Federal Intermediate Credit Banks debentures; \$10,000,000 Texarkana & Fort Smith

Continued on Page xxviii.



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Railway Company bonds; \$18,000,000 bonds of the Carolina Power & Light Company; \$46,000,000 preferred stock of the Tide Water Associated Oil Company; \$7,500,000 bonds of the State of São Paulo; \$20,000,000 bonds of the Brown Company, and \$10,000,000 bonds of the United Steel Works of Burbach-Eich-Dudelange, Luxemburg.

#### GENERAL CONDITIONS ABROAD

The recent rapid removal of the wide discrepancy that has existed between the discount rates in Western and in Central Europe is the most important reaction of the industrial improvement of Europe at the beginning of the Spring season. A year ago private banks in Germany were charging 15 to 20 per cent., now they ask only 11½ per cent., and private discounts are being made even below 7 per cent. The influx of foreign credits has done much to mitigate the shortage of real capital in certain countries and is gradually being reflected in more normal financial conditions, particularly in Central Europe. England, through her return to the gold standard, is again occupying her all-important position as a money centre of the world.

#### GREAT BRITAIN

The first two weeks of March witnessed an advance in the rate on three months' bills in the London money market from 4 to nearly 4½ per cent. The tightness of money, which was partly seasonal, was believed to be accentuated by deliberate withdrawals of large sums from the market, with a view to raising the open market rates and thus making the bank rate more effective.

Largely because of a marked curtailment of imports, the British visible import surplus in February was only £20,810,000, as compared with £26,973,000 a year ago, and was the lowest since last August. The decline in cotton imports alone exceeded £5,000,000, the shrinkage being almost entirely in arrivals from the United States. For the first two months of the year the decrease in cotton imports from this country amounted to £8,000,000. The smaller excess of imports was, of course, gratifying so far as the exchange situation is concerned, but it has to be recognized that the marked decline in imports of cotton did not indicate a high state of industrial activity.

#### NORWAY

The situation in Norwegian exchange has resolved itself into a battle between American speculators playing for a rise of kroner and the Norwegian Government attempting to stabilize exchange to prevent a disastrous economic depression, it was reported on March 24. The rate of kroner exchange was forced to 21.86 cents

Continued on Page xxx.

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Continued from Page xxviii.

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late in March, as contrasted with a low of slightly above 15 cents last year. Last Fall, alarmed by the economic consequences of the rise in kroner, the Norwegian Government appointed a financial commission to investigate and make recommendations regarding the currency situation. The commission published its report early in February and recommended what amounted to permanent stabilization at the then ruling level, about 20.30 cents.

### BELGIUM

Redemption and payment of \$2,000,000 principal amount of outstanding Kingdom of Belgium twenty-five-year external gold loan 7½ per cent. sinking fund bonds, issued in May, 1920, will be made on June 1, 1926, at 115 per cent. of the principal sum, it was announced on March 29.

### GERMANY

As a result of disclosures of the dangers confronting American owners of German real estate, the German Government has started a formal inquiry into the circumstances surrounding the loss of such properties through alleged technical flaws in the sales contracts, it was announced on March 24. According to report, Americans who bought realty in Germany may be deprived of it without any compensation whatever, through court judgments based solely on technical points.

Holders of the Reichsbank's thousand mark certificates issued before the war who are still hoarding them in the hope of receiving their face value in post-war stabilized currency are doomed to disappointment, Dr. Hjalmar Schacht, President of the Reichsbank, declared on March 26. A large amount is still outstanding in these certificates, and Dr. Schacht said that if the Reichsbank were to honor them, Germany's exchange would be completely ruined. Immediately following the revolution there was a heavy traffic in these notes, which declare that the face value will be paid in gold.

The Reichsbank on March 26 lowered its discount rate from 8 to 7 per cent. and its rate on advances from 9 to 8 per cent. Net earnings of the Reichsbank for 1925 were reported in the last week of March to have been 42,740,000 marks, compared with 122,510,000 marks for 1924. A dividend of 10 per cent. was declared, as was done a year before.

### RUSSIA

The Federal budget of the Soviet Union for the fiscal year 1925-26, ending Sept. 31 next, has finally been fixed by the Council of People's Commissars at \$2,006,043,640, according to a bulletin issued by the Commissariat for Finances in Moscow and made public date in March. Revenues are estimated at \$51,500,000 in excess of expenditures. The surplus, it was explained, will be set aside as a reserve fund.